

**COMMUNITY LIVING HAMILTON  
HAMILTON, ONTARIO  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
Community Living Hamilton

We have audited the accompanying financial statements of Community Living Hamilton which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management based on the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ontario Ministry of Community and Social Services (the Ministry) as disclosed in *Note 1(a)*.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ministry, 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 auditors' 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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

In common with many charitable organizations, Community Living Hamilton derives a portion of its revenue from the general public in the form of donations and fundraising the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of revenue from this source was limited to the amounts recorded in the records of Community Living Hamilton. Therefore, we were not able to determine whether, as at March 31, 2018 and for the years ended March 31, 2018 and March 31, 2017, any adjustments might be necessary to donations and fundraising revenue and excess revenue over expenditures reported on the statements of operations, changes in net assets, and cash flows, and current assets and net assets reported on the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended March 31, 2017.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Community Living Hamilton as at March 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ministry.

**Basis of Accounting and Restriction on Use**

Without modifying our opinion, we draw attention to *Note 1(a)* to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Community Living Hamilton to comply with the financial reporting provisions of the agreement between Community Living Hamilton and the Ministry. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the directors of Community Living Hamilton and the Ministry and should not be used by parties other than Community Living Hamilton or the Ministry.

**Other Matters**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Living Hamilton taken as a whole. The supplementary information included on the schedules 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.



**HAMILTON, ONTARIO**  
**May 15, 2018**

**HGK PARTNERS LLP**  
**Chartered Professional Accountants**  
**Licensed Public Accountants**

**COMMUNITY LIVING HAMILTON**  
**Statement of Financial Position**  
**As at March 31, 2018**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2018 Total</b>	<i>(Restated Note 2)</i> <b>2017 Total</b>
<b>ASSETS</b>				
<b>Current</b>				
Cash (Note 3)	\$ 1,423,192	\$ 1,718,712	<b>\$ 3,141,904</b>	\$ 2,967,270
Investment (Note 4)	-	499,364	<b>499,364</b>	491,985
Accounts receivable (Note 5)	364,500	29	<b>364,529</b>	342,104
Inter-fund receivables (payables)	158,924	(158,924)	-	-
Prepaid expenditures	<u>26,836</u>	<u>26,000</u>	<b><u>52,836</u></b>	<u>62,650</u>
	1,973,452	2,085,181	<b>4,058,633</b>	3,864,009
Capital assets (Note 6)	<u>-</u>	<u>645,876</u>	<b><u>645,876</u></b>	<u>681,945</u>
	<b><u>\$ 1,973,452</u></b>	<b><u>\$ 2,731,057</u></b>	<b><u>\$ 4,704,509</u></b>	<b><u>\$ 4,545,954</u></b>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities (Note 7)	\$ 949,618	\$ 54,134	<b>\$ 1,003,752</b>	\$ 1,103,570
Government advances (Note 8)	106,501	-	<b>106,501</b>	82,494
Unearned revenue	-	-	-	16,802
Current portion of mortgages payable (Note 9)	<u>-</u>	<u>236,317</u>	<b><u>236,317</u></b>	<u>19,367</u>
	1,056,119	290,451	<b>1,346,570</b>	1,222,233
Mortgages payable (Note 9)	<u>-</u>	<u>-</u>	<b><u>-</u></b>	<u>236,080</u>
	<b><u>1,056,119</u></b>	<b><u>290,451</u></b>	<b><u>1,346,570</u></b>	<b><u>1,458,313</u></b>
<b>NET ASSETS (Page 5)</b>				
Internally restricted net assets (Note 14)	-	1,998,241	<b>1,998,241</b>	1,901,258
Internally restricted net assets invested in capital assets (Notes 14 and 15)	-	409,559	<b>409,559</b>	426,498
Externally restricted net assets (Note 14)	-	32,806	<b>32,806</b>	29,886
Unrestricted net assets	<u>917,333</u>	<u>-</u>	<b><u>917,333</u></b>	<u>729,999</u>
	<u>917,333</u>	<u>2,440,606</u>	<b><u>3,357,939</u></b>	<u>3,087,641</u>
	<b><u>\$ 1,973,452</u></b>	<b><u>\$ 2,731,057</u></b>	<b><u>\$ 4,704,509</u></b>	<b><u>\$ 4,545,954</u></b>

Commitments (Note 16)

**On behalf of the Board:**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2018**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2018 Total</b>	<i>(Restated Note 2)</i> <b>2017 Total</b>
<b>Revenue</b>				
<b>Grants and Subsidies</b>				
Provincial government subsidies	\$ 9,955,350	\$ -	\$ 9,955,350	\$ 10,159,403
City of Hamilton	3,004,311	-	3,004,311	1,338,711
Federal government subsidies	27,052	-	27,052	17,887
United Way grant	41,290	-	41,290	48,407
Other grants	50,272	-	50,272	54,072
	<u>13,078,275</u>	<u>-</u>	<u>13,078,275</u>	<u>11,618,480</u>
<b>Association Generated</b>				
Contract sales	907,389	-	907,389	823,618
Cafeteria sales	2,541	-	2,541	919
Accommodation charges	421,214	-	421,214	423,482
Rental revenue	180,445	-	180,445	181,690
Program fees	525,946	-	525,946	464,545
Investment revenue	-	39,675	39,675	29,052
Donations, fundraising and other revenue	192,394	153,591	345,985	292,543
	<u>2,229,929</u>	<u>193,266</u>	<u>2,423,195</u>	<u>2,215,849</u>
	<u>15,308,204</u>	<u>193,266</u>	<u>15,501,470</u>	<u>13,834,329</u>
<b>Expenditures</b>				
Staff salaries	10,346,511	-	10,346,511	8,909,889
Employee benefits (Note 11)	1,885,162	-	1,885,162	1,538,179
Staff travel and training	102,221	-	102,221	78,111
Training allowances and benefits	117,442	-	117,442	135,864
Purchased services	1,102,598	71,932	1,174,530	1,246,997
Supplies	168,983	-	168,983	173,843
Food costs	202,282	-	202,282	191,029
Premises rent, other rentals and insurance (Note 16)	339,216	-	339,216	363,754
Utilities and taxes	276,327	-	276,327	241,652
Repairs and maintenance	243,482	-	243,482	299,559
New equipment and replacements	142,983	-	142,983	213,254
Vehicle operations	60,582	-	60,582	53,934
Other service costs (Note 12)	104,790	11,320	116,110	220,187
Mortgage payments (Note 9)	25,371	-	25,371	25,371
Amortization	-	16,382	16,382	17,928
Employee recognition	-	13,588	13,588	9,238
	<u>15,117,950</u>	<u>113,222</u>	<u>15,231,172</u>	<u>13,718,789</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	<u>\$ 190,254</u>	<u>\$ 80,044</u>	<u>\$ 270,298</u>	<u>\$ 115,540</u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2018**

	<b>Internally Restricted Net Assets</b>	<b>Internally Restricted Net Assets Invested in Capital Assets</b>	<b>Externally Restricted Net Assets</b>	<b>Unrestricted Net Assets</b>	<b>Total</b>
<b><u>2018</u></b>					
<b>Balance, beginning of year</b>	<b>\$ 1,901,258</b>	<b>\$ 426,498</b>	<b>\$ 29,886</b>	<b>\$ 729,999</b>	<b>\$ 3,087,641</b>
Excess revenue over expenditures	<b>80,044</b>	<b>-</b>	<b>-</b>	<b>190,254</b>	<b>270,298</b>
Net acquisitions (disposals) of capital assets	<b>557</b>	<b>(557)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortization of capital assets	<b>16,382</b>	<b>(16,382)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Interfund transfers (Note 13)	<b>-</b>	<b>-</b>	<b>2,920</b>	<b>(2,920)</b>	<b>-</b>
<b>Balance, end of year</b>	<b><u>\$ 1,998,241</u></b>	<b><u>\$ 409,559</u></b>	<b><u>\$ 32,806</u></b>	<b><u>\$ 917,333</u></b>	<b><u>\$ 3,357,939</u></b>

(Restated Note 2)  
2017

Balance, beginning of year, as previously stated	\$ 1,863,404	\$ 444,559	\$ 26,772	\$ 402,616	\$ 2,737,351
Prior period adjustment (Note 2)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,750</u>	<u>\$ 234,750</u>
Balance, beginning of year, restated	\$ 1,863,404	\$ 444,559	\$ 26,772	\$ 637,366	\$ 2,972,101
Excess (deficiency of) revenue over expenditures	(46,126)	-	194	161,472	115,540
Net acquisitions (disposals) of capital assets	133	(133)	-	-	-
Amortization of capital assets	17,928	(17,928)	-	-	-
Interfund transfers (Note 13)	<u>65,919</u>	<u>-</u>	<u>2,920</u>	<u>(68,839)</u>	<u>-</u>
Balance, end of year	<u>\$ 1,901,258</u>	<u>\$ 426,498</u>	<u>\$ 29,886</u>	<u>\$ 729,999</u>	<u>\$ 3,087,641</u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2018**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2018 Total</b>	<i>(Restated Note 2)</i> <b>2017 Total</b>
<b>OPERATING ACTIVITIES</b>				
Excess revenue over expenditures	\$ 190,254	\$ 80,044	\$ 270,298	\$ 115,540
Expenditures not requiring a cash outlay:				
Amortization	-	16,382	16,382	17,928
Accrued interest on investments	-	(92)	(92)	530
(Gain) loss on sale of capital assets	-	309	309	(117)
	<u>190,254</u>	<u>96,643</u>	<u>286,897</u>	<u>133,881</u>
(Increase) decrease in accounts receivable	(22,435)	10	(22,425)	(61,160)
(Increase) decrease in prepaid expenditures	35,799	(25,985)	9,814	(11,067)
Increase (decrease) in accounts payable and accrued liabilities	(132,678)	32,860	(99,818)	34,553
Increase (decrease) in government advances	24,005	-	24,005	(208,669)
Increase (decrease) in unearned revenue	<u>(16,802)</u>	<u>-</u>	<u>(16,802)</u>	<u>535</u>
	<u>(112,111)</u>	<u>6,885</u>	<u>(105,226)</u>	<u>(245,808)</u>
Net cash provided by (used for) operating activities	<u>78,143</u>	<u>103,528</u>	<u>181,671</u>	<u>(111,927)</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of investment	-	(493,063)	(493,063)	(485,776)
Proceeds of disposition of investment	-	485,776	485,776	477,870
Proceeds on sale of capital assets	<u>-</u>	<u>250</u>	<u>250</u>	<u>251</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>(7,037)</u>	<u>(7,037)</u>	<u>(7,655)</u>
<b>FINANCING ACTIVITIES</b>				
Interfund transfers	<u>(87,240)</u>	<u>87,240</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>(87,240)</u>	<u>87,240</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	<b>(9,097)</b>	<b>183,731</b>	<b>174,634</b>	<b>(119,582)</b>
<b>Cash, beginning of year</b>	<u>1,432,289</u>	<u>1,534,981</u>	<u>2,967,270</u>	<u>3,086,852</u>
<b>Cash, end of year</b>	<u><u>\$ 1,423,192</u></u>	<u><u>\$ 1,718,712</u></u>	<u><u>\$ 3,141,904</u></u>	<u><u>\$ 2,967,270</u></u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

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**DESCRIPTION OF ORGANIZATION**

Community Living Hamilton was incorporated in the Province of Ontario on May 8, 1953, as a corporation without share capital and is exempt from the payment of income taxes under one or more provisions of the Income Tax Act (Canada).

Community Living Hamilton, an agency supporting individuals with intellectual disabilities, is committed to the advancement of a community which assures that all individuals have equal opportunity to participate and contribute to community life, assures respect for all individuals, assures the right of all individuals to enjoy the benefits and responsibilities of independence and assures the dignity and worth of every individual.

To accomplish this vision, Community Living Hamilton functions in partnership with individuals having intellectual disabilities, families, staff, volunteers, and other individuals and organizations by providing leadership in advocacy, skill development and community education.

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

These financial statements are the representation of management prepared in accordance with accounting policies prescribed by the Ontario Ministry of Community and Social Services (the Ministry). Readers should be cautioned that the basis of accounting used in these financial statements materially differs from Canadian accounting standards for not for profit organizations because:

**(i) Capital Assets**

The funding model utilized by the Ministry in providing funds to the organization provides for the funding of capital expenditures. Capital expenditures of the Operating Fund, with the exception of land and building, are recorded as Operating Fund expenditures in the year incurred.

In addition, for capital assets funded by the Ministry with mortgages payable for which mortgage payments are funded by the Ministry, amortization is reported in an amount equal to the principal payments on the mortgage.

**(ii) Accrued Liabilities**

The modified accrual accounting method requires the inclusion of short term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short term accruals are defined as payable or receivable within 30 days of the budget year end.



**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(a) Basis of Accounting (Continued)**

**(iii) Vacation Pay Accrual**

The Ministry funding model accounts for vacation pay on a cash basis. As a result, a vacation pay accrual is not recorded in these financial statements.

**(iv) Long Term Debt**

Principal repayments for non-forgivable loans made during the year, as well as interest costs incurred, are accounted for as an operating expenditure in the year rather than expensing only interest. The amount of principal repaid during the year is also charged to reduce the carrying value of the debt, and is added to fund balances.

**(v) Revenue Recognition**

Contributions received for capital assets are recognized in the year received as revenue instead of being deferred and amortized on the same basis as the related capital asset.

**(b) Fund Accounting**

The Operating Fund accounts for the organization's program delivery and administrative activities.

The Capital Fund reports the activities of the following funds:

- (i) CLH Reserve Fund
- (ii) Community Respite Centre Fund
- (iii) Ontario Ministry of Community and Social Services Capital Reserve Fund - Dedicated Housing Support

The CLH Reserve Fund accounts for the organization's capital assets and internally restricted reserves. The Community Respite Centre Fund accounts for the organization's internally restricted reserves for the construction of the new respite centre. Internally restricted reserves are those over which the Board of Directors has discretionary control to use in carrying on the operations of the organization.

The Ontario Ministry of Community and Social Services Capital Reserve Fund - Dedicated Housing Support reports only externally restricted resources that are to be used to acquire/maintain capital assets funded by the Ministry.

## **COMMUNITY LIVING HAMILTON**

### **Notes to Financial Statements**

**Year Ended March 31, 2018**

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#### **1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **(c) Financial Instruments**

###### **(i) Measurement of Financial Instruments**

Financial assets and liabilities are initially recognized at fair value except for certain non-arm's length transactions that are measured at the exchange amount or carrying value as appropriate, and their subsequent measurement is dependent on their classification as designated by the organization. Investments are subsequently measured at fair value with changes in fair value included on the statement of operations. Financial assets subsequently measured at amortized cost using the effective interest method include cash and accounts receivable.

Financial liabilities subsequently measured at amortized cost using the effective interest method include accounts payable and accrued liabilities, government advances and mortgages payable.

###### **(ii) Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of a write down is recognized on the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized on the statement of operations.

###### **(iii) Transaction Costs**

The organization recognizes its transaction costs on the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

##### **(d) Investments**

Investments are recorded at fair value. Fair values are estimated using quoted market prices. Investment revenue includes interest and realized and unrealized gains and losses.

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Capital Assets**

Capital assets purchased by the Operating Fund are expensed in accordance with the accounting policy stated in *Note 1(a)*. Capital assets purchased by the Capital Fund are capitalized and amortized on the diminishing balance basis over the estimated useful life of the assets using rates as indicated. Capitalized assets acquired during the year are amortized at one-half of the indicated rate.

Buildings	-	5%
Parking lots	-	4%
Motor vehicles	-	30%
Furniture and equipment	-	20%

Leasehold improvements are amortized on a straight-line basis over the term remaining on the lease at the time the improvement is made.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized on the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

**(f) Government Advances**

The majority of the organization's programs are funded by the Ministry, the City of Hamilton and the Government of Canada. At any given time, the total expenditures incurred may be less than the approved subsidy for the fiscal year. As a consequence, it is possible for a program to receive more support than that to which it is entitled. The organization records a liability for the excessive amounts received and shows them in the liability section on the statement of financial position as government advances. Any government advances not recovered after three years are recognized as revenue and shown in the revenue section of the statement of operations as advances forgiven.

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Revenue Recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program fees and rental revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured. Revenue from sales from ancillary operations is recognized when the services are provided or the goods are sold. Revenue from fundraising activities are recorded when received.

Investment revenue is recognized when earned.

**(h) Donated Materials**

Donated materials are recorded at fair value at the date of the donation when the fair value can be reasonably determined.

**(i) Donated Services**

The work of the organization is dependent on the voluntary services of members of the community. Due to the difficulty of determining the fair value to the organization, the value of these volunteer services is not provided for in these financial statements.

**(j) Allocation of Expenditures**

The organization records its expenditures by program.

Administration costs are allocated to programs based on budgeted amounts, not to exceed the administration charges permitted by program funders.

**(k) 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 revenue and expenditures during the period reported. These estimates are reviewed periodically and as adjustments become necessary, are reported in the period in which they become known. Significant areas requiring the use of management estimates include amortization and impairment assessments of capital assets.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

**2. PRIOR PERIOD ADJUSTMENT**

During the 2018 fiscal year the organization became aware of an unrecorded deposit account and an unrecorded reserve account for over and underspent employee group insurance. As a result, the organization's unrestricted net assets as at April 1, 2016 has been increased to \$637,366 and the March 31, 2017 financial statements have been restated. The details of the adjustments and their effect on the March 31, 2017 financial statements are outlined below:

	<b>Previously Reported</b>	<b>Adjustments</b>	<b>Restated</b>
Cash	\$ 2,772,934	\$ 194,336	\$ 2,967,270
Prepaid expenses	\$ 36,831	\$ 25,819	\$ 62,650
Unrestricted net assets, beginning of year	\$ 402,616	\$ 234,750	\$ 637,366
Donations, fundraising and other revenue	\$ 291,722	\$ 821	\$ 292,543
Employee benefits	\$ 1,522,763	\$ 15,416	\$ 1,538,179
Excess revenue over expenditures	\$ 130,135	\$ (14,595)	\$ 115,540

**3. CASH**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2018 Total</b>	<b>2017 Total</b>
Unrestricted				
Cash on hand	\$ 363	\$ -	\$ 363	\$ 2,600
Equitable Life deposit account	195,016	-	<b>195,016</b>	194,336
Bank of Montreal accounts	<u>1,227,813</u>	<u>-</u>	<b><u>1,227,813</u></b>	<u>1,235,353</u>
	<u>1,423,192</u>	<u>-</u>	<b><u>1,423,192</u></b>	<u>1,432,289</u>
Restricted				
Bank of Montreal accounts	-	1,718,283	<b>1,718,283</b>	1,534,469
Meridian Credit Union accounts	<u>-</u>	<u>429</u>	<b><u>429</u></b>	<u>512</u>
	<u>-</u>	<u>1,718,712</u>	<b><u>1,718,712</u></b>	<u>1,534,981</u>
	<u><b>\$ 1,423,192</b></u>	<u><b>\$ 1,718,712</b></u>	<u><b>\$ 3,141,904</b></u>	<u><b>\$ 2,967,270</b></u>

Interest is earned on the Bank of Montreal accounts at bank prime (2017 - bank prime) and on the Meridian Credit Union accounts at an average rate of 1.00% (2017 - 1.00%).

**4. INVESTMENT**

The investment consists of a Guaranteed Investment Certificate (GIC), maturing May 25, 2018 (2017 - May 25, 2017). The fair value of the GIC includes accrued interest of approximately \$6,302 as at March 31, 2018 (2017 - \$6,209). The GIC has an average effective rate of interest of 1.50% (2017 - 1.50%).

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

**5. ACCOUNTS RECEIVABLE**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Trade receivables	\$ 237,370	\$ 184,052	\$ -	\$ -
Harmonized sales tax receivable	39,490	25,761	29	39
Government grants	87,640	132,252	-	-
	<u>\$ 364,500</u>	<u>\$ 342,065</u>	<u>\$ 29</u>	<u>\$ 39</u>

**6. CAPITAL ASSETS**

	<b>2018</b>		<b>2017</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Net</b>
<b>CLH Reserve Fund</b>				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,919	1,346,835	493,084	525,726
Parking lots	33,381	15,891	17,490	18,219
Motor vehicles	66,156	64,131	2,025	3,614
Furniture and equipment	290,725	286,287	4,438	5,547
	<u>\$ 2,359,020</u>	<u>\$ 1,713,144</u>	<u>\$ 645,876</u>	<u>\$ 681,945</u>

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Accounts payable	\$ 175,019	\$ 438,024	\$ 54,134	\$ 21,274
Government remittances payable	235,415	233,721	-	-
Accrued liabilities	539,184	410,551	-	-
	<u>\$ 949,618</u>	<u>\$ 1,082,296</u>	<u>\$ 54,134</u>	<u>\$ 21,274</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

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**8. GOVERNMENT ADVANCES**

	<u>2018</u>	<u>2017</u>
<b>Ministry of Community and Social Services</b>		
Dedicated Housing Support	\$ 7,349	\$ -
Bill 148	991	-
Family Home Program	4,439	-
Dedicated Housing Support Infrastructure	10,286	-
Employment Supports - DS	19,658	-
Employment Supports - ODSP	-	11,805
Special Services at Home	2,891	12,629
Supported Independent Living Program	<u>8,305</u>	<u>-</u>
	53,919	24,434
<b>City of Hamilton</b>		
Integration Resources Hub Program	5,169	6,938
Special Needs Program	<u>47,413</u>	<u>51,122</u>
	<u>\$ 106,501</u>	<u>\$ 82,494</u>

**9. MORTGAGES PAYABLE**

	<u>2018</u>	<u>2017</u>
Mortgage payable, bearing interest at 2.740%, repayable in blended monthly installments of \$1,109, secured by the Kensington building with a net book value of \$122,748 (2017 - \$132,310), maturing October 1, 2018	\$ 122,748	\$ 132,310
Mortgage payable, bearing interest at 2.110%, repayable in blended monthly installments of \$1,005, secured by the Appleford building with a net book value of \$113,569 (2017 - \$123,137), maturing January 1, 2019	<u>113,569</u>	<u>123,137</u>
	236,317	255,447
Principal payments due within one year	<u>236,317</u>	<u>19,367</u>
	<u>\$ -</u>	<u>\$ 236,080</u>

It is anticipated that mortgages maturing in the next fiscal year will be renewed upon maturity.

Interest in the amount of \$5,971 (2017 - \$6,428) was paid during the year, which has been included in the mortgage payments expenditure on the statement of operations.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

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**10. BANK OPERATING LINE**

The organization has a revolving demand credit line with an \$800,000 (2017 - \$800,000) limit of which \$800,000 (2017 - \$800,000) remained unused at March 31, 2018. Interest is calculated at bank prime per annum and is payable monthly. The credit line is secured by a general security agreement.

**11. EMPLOYEE BENEFIT PLAN**

Community Living Hamilton participates in a defined contribution pension plan with eligible employees. Community Living Hamilton matches contributions at 4% of individual employee gross earnings. A financial institution administers the pension assets. During the year, Community Living Hamilton incurred pension expenditures totalling \$231,600 (2017 - \$176,318).

**12. HAMILTON COMMUNITY FOUNDATION - ENDOWMENT FUND**

On March 16, 2016 Community Living Hamilton entered into an agreement with the Hamilton Community Foundation (the Foundation) to establish a permanent endowment fund known as the Community Living Hamilton Endowment Fund to provide an ongoing source of revenue to support and enhance services provided by the organization. On April 4, 2016 the organization transferred \$115,000 to the Foundation.

The net earnings of the endowment fund will be received annually from the Foundation at the request of the organization. The Foundation will notify the organization of available fund earnings within thirty days of the completion of their annual audit. No part of the capital of the endowment fund shall revert or be paid to, lent or applied to, or benefit the organization, unless the Foundation ceases to exist. The organization is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the endowment fund are not reflected in these financial statements.

During the year the organization was notified that undistributed income in the amount of \$5,183 (2017 - \$Nil) was earned during the fiscal year ended March 31, 2017. A balance of \$Nil (2017 - \$Nil) was requested to be transferred to the organization leaving a balance of \$5,183 (2017 - \$Nil) available for distribution and cumulative undistributed income of \$5,183 (2017 - \$Nil)

**13. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS**

The amount of \$2,920 (2017 - \$2,920) was transferred from the Operating Fund to the Capital Fund to reflect the budgeted allocation for the year and \$Nil (2017 - \$65,919) was transferred from the Operating Fund to the Community Respite Centre Fund. The Board of Directors has internally restricted net assets invested in capital assets of \$409,559 (2017 - \$426,498). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2018**

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**14. NET ASSETS - CAPITAL FUND**

	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Internally restricted net assets</b>		
CLH Reserve Fund	\$ 1,932,322	\$ 1,835,339
Community Respite Centre Fund	<u>65,919</u>	<u>65,919</u>
	<b>1,998,241</b>	<b>1,901,258</b>
 <b>Internally restricted net assets invested in capital assets (Note 15)</b>	 <b>409,559</b>	 <b>426,498</b>
 <b>Externally restricted net assets</b>		
Ontario Ministry of Community and Social Services		
Capital Reserve Fund	<u>32,806</u>	<u>29,886</u>
	<u><b>\$ 2,440,606</b></u>	<u><b>\$ 2,357,642</b></u>

**15. INTERNALLY RESTRICTED NET ASSETS INVESTED IN CAPITAL ASSETS**

	<u><b>2018</b></u>	<u><b>2017</b></u>
Capital assets, net	\$ 645,876	\$ 681,945
Mortgages payable	<u>(236,317)</u>	<u>(255,447)</u>
	<u><b>\$ 409,559</b></u>	<u><b>\$ 426,498</b></u>

**16. COMMITMENTS**

Future minimum lease payments for premises and equipment operating leases for the next three years are as follows:

2019	-	\$ 64,039
2020	-	\$ 31,630
2021	-	\$ 15,382

**17. ECONOMIC DEPENDENCE**

The organization receives the majority of its funding for operating activities during the year from subsidies from the Ontario Ministry of Community and Social Services.

**18. FINANCIAL INSTRUMENTS**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at March 31, 2018.

**(a) Credit Risk**

Credit risk arises from the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The organization determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

The organization's cash balance is in excess of federally insured limits, however it is maintained with a financial institution of reputable credit and therefore bears minimal credit risk.

**(b) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is exposed to interest rate risk.

**(c) Interest Rate Risk**

The organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2018 the organization had a fixed interest GIC as described in *Note 4* and fixed interest mortgages as described in *Note 9*. Fixed rate instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. Fluctuations in interest rates will impact the cost of financing incurred currently and in the future.

**(d) Liquidity Risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to its accounts payable and accrued liabilities, government advances and mortgages payable. The organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities. The organization has a short term revolving demand credit line of up to \$800,000 in place should it be required to meet temporary fluctuations in cash requirements.

There has been no significant changes to the risk exposures noted above from the prior year.

**COMMUNITY LIVING HAMILTON**  
**Schedule to the Statement of Operations - Capital Fund**  
**Year Ended March 31, 2018**

	<u>Internally Restricted Net Assets</u>		<u>Externally Restricted Net Assets</u>	2018	2017
	CLH Reserve Fund	Community Respite Centre Fund	Ontario M.C.S.S. Capital Reserve Fund	Total Capital Fund	Total Capital Fund
<b>Revenue</b>					
Investment revenue	\$ 39,675	\$ -	\$ -	\$ 39,675	\$ 29,052
Donations, fundraising and other revenue	<u>153,591</u>	<u>-</u>	<u>-</u>	<u>153,591</u>	<u>103,879</u>
	<u>193,266</u>	<u>-</u>	<u>-</u>	<u>193,266</u>	<u>132,931</u>
<b>Expenditures</b>					
Purchased services	71,932	-	-	71,932	-
Other service costs	11,320	-	-	11,320	151,697
Amortization	16,382	-	-	16,382	17,928
Employee recognition	<u>13,588</u>	<u>-</u>	<u>-</u>	<u>13,588</u>	<u>9,238</u>
	<u>113,222</u>	<u>-</u>	<u>-</u>	<u>113,222</u>	<u>178,863</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	<b>80,044</b>	<b>-</b>	<b>-</b>	<b>80,044</b>	<b>(45,932)</b>
<b>Net assets, beginning of year</b>	<b>2,261,837</b>	<b>65,919</b>	<b>29,886</b>	<b>2,357,642</b>	<b>2,334,735</b>
Inter-fund transfers	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>2,920</u>	<u>68,839</u>
<b>Net assets, end of year</b>	<b><u>\$ 2,341,881</u></b>	<b><u>\$ 65,919</u></b>	<b><u>\$ 32,806</u></b>	<b><u>\$ 2,440,606</u></b>	<b><u>\$ 2,357,642</u></b>

**COMMUNITY LIVING HAMILTON**  
**Schedule to the Statement of Operations - Operating Fund**  
**Year Ended March 31, 2018**

	Centrally Allocated Administration	MCSS Funded Services (Page 20)	MCSS Employment Support (Page 22)	MCSS Dedicated Housing Support	Community Support and Development Programs	Total
<b>REVENUE</b>						
<b>Grants and Subsidies</b>						
Ministry of Community and Social Services	\$ -	\$ 9,450,917	\$ 155,000	\$ -	\$ 199,190	\$ 9,805,107
Ministry of Children and Youth Services	-	150,243	-	-	-	150,243
City of Hamilton	-	-	-	-	3,004,311	3,004,311
Federal government	-	-	-	-	27,052	27,052
United Way	-	-	-	-	41,290	41,290
Other	-	-	-	50,272	-	50,272
	<u>-</u>	<u>9,601,160</u>	<u>155,000</u>	<u>50,272</u>	<u>3,271,843</u>	<u>13,078,275</u>
<b>Association Generated</b>						
Contract sales	-	43,146	-	-	864,243	907,389
Cafeteria sales	-	2,541	-	-	-	2,541
Accommodation charges	-	421,214	-	-	-	421,214
Rental revenue	-	164,900	-	13,992	1,553	180,445
Program fees	10,000	48,260	-	-	467,686	525,946
Other	9,050	181,793	771	-	780	192,394
	<u>19,050</u>	<u>861,854</u>	<u>771</u>	<u>13,992</u>	<u>1,334,262</u>	<u>2,229,929</u>
	<u>19,050</u>	<u>10,463,014</u>	<u>155,771</u>	<u>64,264</u>	<u>4,606,105</u>	<u>15,308,204</u>
<b>EXPENDITURES</b>						
Staff salaries	837,718	6,635,950	14,440	7,993	2,850,410	10,346,511
Employee benefits	157,838	1,203,709	20,731	936	501,948	1,885,162
Staff travel and training	18,626	36,741	(341)	-	47,195	102,221
Training allowances	-	117,442	-	-	-	117,442
Purchased services	238,505	456,978	1,018	-	406,097	1,102,598
Supplies	57,587	90,911	1,717	-	18,768	168,983
Food costs	3,580	188,284	-	-	10,418	202,282
Premises rent, other rentals and insurance	55,801	274,484	569	900	7,462	339,216
Utilities and taxes	8,898	177,657	1,039	15,229	73,504	276,327
Repairs and maintenance	20	169,058	586	1,676	72,142	243,482
New equipment and replacements	5,547	121,384	10,268	3,062	2,722	142,983
Vehicle operations	18	54,785	-	-	5,779	60,582
Other service costs	28,080	11,149	16,531	6,177	42,853	104,790
Mortgage payments	-	-	-	25,371	-	25,371
Centrally allocated administration	(1,192,074)	931,686	45,000	-	215,388	-
	<u>220,144</u>	<u>10,470,218</u>	<u>111,558</u>	<u>61,344</u>	<u>4,254,686</u>	<u>15,117,950</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>						
	(201,094)	(7,204)	44,213	2,920	351,419	190,254
Transfer to MCSS Capital Reserve Fund	-	-	-	(2,920)	-	(2,920)
<b>Program surplus (deficit)</b>	<u>\$ (201,094)</u>	<u>\$ (7,204)</u>	<u>\$ 44,213</u>	<u>\$ -</u>	<u>\$ 351,419</u>	<u>\$ 187,334</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Funded Services**  
**Year Ended March 31, 2018**

	Group Living Support	Associate Living Support	Adult Individual Living Support	Adult Community Access Support	Respite Support Children	Special Services At Home Children	Sub-Total
<b>REVENUE</b>							
<b>Grants and Subsidies</b>							
Ministry of Community and Social Services	\$ 3,484,560	\$ 23,576	\$ 400,109	\$ 3,892,317	\$ 720,462	\$ 122,863	\$ 8,643,887
<b>Association Generated</b>							
Contract sales	-	-	-	6,509	-	-	6,509
Cafeteria sales	-	-	-	2,541	-	-	2,541
Accommodation charges	421,214	-	-	-	-	-	421,214
Rental revenue	164,900	-	-	-	-	-	164,900
Program fees	-	-	-	260	9,920	-	10,180
Other	45,474	-	-	427	135,892	-	181,793
	631,588	-	-	9,737	145,812	-	787,137
	4,116,148	23,576	400,109	3,902,054	866,274	122,863	9,431,024
<b>EXPENDITURES</b>							
Staff salaries	2,847,570	-	272,376	2,502,381	457,748	95,612	6,175,687
Employee benefits	412,868	220	58,395	552,859	69,543	26,150	1,120,035
Staff travel and training	12,650	-	9,811	7,161	2,192	80	31,894
Training allowances and benefits	-	-	-	71,227	-	-	71,227
Purchased services	41,437	19,744	556	47,030	208,851	68	317,686
Supplies	43,197	-	2,189	33,377	5,443	9	84,215
Food costs	159,595	-	-	6,676	14,078	-	180,349
Premises rent, other rentals and insurance (Note 16)	137,732	-	1,200	65,660	386	-	204,978
Utilities and taxes	67,784	811	12,298	75,895	11,392	811	168,991
Repairs and maintenance	19,354	-	-	15,318	15,997	-	50,669
New equipment and replacements	21,519	-	1,778	86,703	852	-	110,852
Vehicle operations	2,553	-	-	49,291	2,941	-	54,785
Other service costs	4,511	-	665	3,219	2,621	133	11,149
Centrally allocated administration	345,378	2,801	40,841	385,257	74,230	-	848,507
	4,116,148	23,576	400,109	3,902,054	866,274	122,863	9,431,024
<b>EXCESS REVENUE OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Funded Services (Continued)**  
**Year Ended March 31, 2018**

	Sub-Total	ASD Respite Services	DS Employment Supports	Partner Facility Renewal - Capital	Adult Respite	Total
<b>REVENUE</b>						
<b>Grants and Subsidies</b>						
Ministry of Community and Social Services	\$ 8,643,887	\$ -	\$ 577,868	\$ 117,262	\$ 111,900	\$ 9,450,917
Ministry of Children and Youth Services	-	150,243	-	-	-	150,243
	<u>8,643,887</u>	<u>150,243</u>	<u>577,868</u>	<u>117,262</u>	<u>111,900</u>	<u>9,601,160</u>
<b>Association Generated</b>						
Contract sales	6,509	-	36,637	-	-	43,146
Cafeteria sales	2,541	-	-	-	-	2,541
Accommodation charges	421,214	-	-	-	-	421,214
Rental revenue	164,900	-	-	-	-	164,900
Program fees	10,180	-	-	-	38,080	48,260
Other	181,793	-	-	-	-	181,793
	<u>787,137</u>	<u>-</u>	<u>36,637</u>	<u>-</u>	<u>38,080</u>	<u>861,854</u>
	<u>9,431,024</u>	<u>150,243</u>	<u>614,505</u>	<u>117,262</u>	<u>149,980</u>	<u>10,463,014</u>
<b>EXPENDITURES</b>						
Staff salaries	6,175,687	-	366,545	-	93,718	6,635,950
Employee benefits	1,120,035	-	76,713	-	6,961	1,203,709
Staff travel and training	31,894	-	4,759	-	88	36,741
Training allowances and benefits	71,227	-	46,215	-	-	117,442
Purchased services	317,686	131,220	3,931	-	4,141	456,978
Supplies	84,215	-	3,045	-	3,651	90,911
Food costs	180,349	2,000	361	-	5,574	188,284
Premises rent, other rentals and insurance	204,978	2,000	42,121	-	25,385	274,484
Utilities and taxes	168,991	-	811	-	7,855	177,657
Repairs and maintenance	50,669	-	534	117,262	593	169,058
New equipment and replacements	110,852	-	10,004	-	528	121,384
Vehicle operations	54,785	-	-	-	-	54,785
Other service costs	11,149	-	-	-	-	11,149
Centrally allocated administration	848,507	15,023	59,466	-	8,690	931,686
	<u>9,431,024</u>	<u>150,243</u>	<u>614,505</u>	<u>117,262</u>	<u>157,184</u>	<u>10,470,218</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ -	\$ (7,204)	\$ (7,204)

**COMMUNITY LIVING HAMILTON****Schedule of Ministry of Community and Social Services Employment Support  
Year Ended March 31, 2018**

	<b>Job Placement</b>	<b>Job Retention and Advancement</b>	<b>Job Maintenance</b>	<b>Total</b>
<b>REVENUE</b>				
<b>Grants and Subsidies</b>				
Ministry of Community and Social Services	<u>\$ 89,000</u>	<u>\$ 48,000</u>	<u>\$ 18,000</u>	<u>\$ 155,000</u>
<b>Association generated</b>				
Other revenue	<u>771</u>	<u>-</u>	<u>-</u>	<u>771</u>
	<u>89,771</u>	<u>48,000</u>	<u>18,000</u>	<u>155,771</u>
<b>EXPENDITURES</b>				
Staff salaries	8,291	4,472	1,677	14,440
Employee benefits	11,904	6,420	2,407	20,731
Staff travel	(195)	(106)	(40)	(341)
Purchased services	585	315	118	1,018
Supplies	986	532	199	1,717
Premises rent, other rentals and insurance	327	176	66	569
Utilities and taxes	596	322	121	1,039
Repairs and maintenance	337	181	68	586
New equipment and replacements	5,896	3,180	1,192	10,268
Other service costs	9,492	5,119	1,920	16,531
Centrally allocated administration	<u>25,839</u>	<u>13,935</u>	<u>5,226</u>	<u>45,000</u>
	<u>64,058</u>	<u>34,546</u>	<u>12,954</u>	<u>111,558</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	<u>\$ 25,713</u>	<u>\$ 13,454</u>	<u>\$ 5,046</u>	<u>\$ 44,213</u>