

**COMMUNITY LIVING HAMILTON
HAMILTON, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Members of
Community Living Hamilton

Qualified Opinion

We have audited the financial statements of Community Living Hamilton (the Organization), which comprise the statement of financial position as at March 31, 2020 and the statements of operations, changes in net assets and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and its results of operations and its 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 Ontario Ministry of Children, Community and Social Services (the Ministry) as disclosed in *Note 1(a)*.

Basis for Qualified Opinion

In common with many charitable organizations, Community Living Hamilton derives revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess revenue over expenditures, and cash flows from operations for the years ended March 31, 2020 and March 31, 2019, current assets as at March 31, 2020 and March 31, 2019 and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to *Note 1(a)* to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Organization to comply with the financial reporting provisions of the agreement between the Organization and the Ministry. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. Our report is intended solely for the directors of the Organization and the Ministry and should not be used by parties other than the Organization 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 in the schedule 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ontario Ministry of Children, Community and Social Services (the Ministry) as disclosed in *Note 1(a)*, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



HAMILTON, ONTARIO
Date

HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING HAMILTON
Statement of Financial Position
As at March 31, 2020

	Operating Fund	Capital Fund	2020 Total	2019 Total
ASSETS				
Current				
Cash (Note 2)	\$ 2,562,749	\$ 1,860,671	\$ 4,423,420	\$ 4,125,300
Investment (Note 3)	-	519,791	519,791	509,071
Accounts receivable (Note 4)	259,779	112	259,891	252,294
Inter-fund receivables (payables)	167,898	(167,898)	-	-
Prepaid expenditures	<u>66,464</u>	<u>5,520</u>	<u>71,984</u>	<u>16,340</u>
	3,056,890	2,218,196	5,275,086	4,903,005
Capital assets (Note 5)	<u>-</u>	<u>581,132</u>	<u>581,132</u>	<u>617,269</u>
	<u>\$ 3,056,890</u>	<u>\$ 2,799,328</u>	<u>\$ 5,856,218</u>	<u>\$ 5,520,274</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 6)	\$ 786,793	\$ 15,263	\$ 802,056	\$ 1,058,178
Government advances (Note 7)	969,911	-	969,911	488,094
Current portion of mortgages payable (Note 8)	<u>-</u>	<u>20,697</u>	<u>20,697</u>	<u>20,147</u>
	1,756,704	35,960	1,792,664	1,566,419
Mortgages payable (Note 8)	<u>-</u>	<u>175,333</u>	<u>175,333</u>	<u>196,048</u>
	<u>1,756,704</u>	<u>211,293</u>	<u>1,967,997</u>	<u>1,762,467</u>
NET ASSETS (Page 6)				
Internally restricted net assets (Note 13)	-	2,164,287	2,164,287	2,050,008
Internally restricted net assets invested in capital assets (Notes 13 and 14)	-	385,102	385,102	401,074
Externally restricted net assets (Note 13)	-	38,646	38,646	35,726
Unrestricted net assets	<u>1,300,186</u>	<u>-</u>	<u>1,300,186</u>	<u>1,270,999</u>
	<u>1,300,186</u>	<u>2,588,035</u>	<u>3,888,221</u>	<u>3,757,807</u>
	<u>\$ 3,056,890</u>	<u>\$ 2,799,328</u>	<u>\$ 5,856,218</u>	<u>\$ 5,520,274</u>

Commitments (Note 15)
Subsequent event (Note 18)

On behalf of the Board:

Director

Director

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Operations
Year Ended March 31, 2020

	Operating Fund	Capital Fund	2020 Total	2019 Total
Revenue				
Grants and Subsidies				
Provincial government subsidies	\$ 9,800,237	\$ -	\$ 9,800,237	\$ 9,899,033
City of Hamilton	3,072,827	-	3,072,827	3,124,197
Federal government subsidies	44,069	-	44,069	26,531
United Way grant	41,381	-	41,381	44,486
Other grants	<u>52,182</u>	<u>-</u>	<u>52,182</u>	<u>48,150</u>
	<u>13,010,696</u>	<u>-</u>	<u>13,010,696</u>	<u>13,142,397</u>
Association Generated				
Contract sales	712,513	-	712,513	816,620
Cafeteria sales	744	-	744	3,092
Accommodation charges	441,741	-	441,741	434,613
Rental revenue	181,481	-	181,481	173,000
Program fees	615,079	-	615,079	501,987
Investment revenue	-	96,829	96,829	85,184
Donations, fundraising and other revenue	<u>163,270</u>	<u>63,169</u>	<u>226,439</u>	<u>178,785</u>
	<u>2,114,828</u>	<u>159,998</u>	<u>2,274,826</u>	<u>2,193,281</u>
	<u>15,125,524</u>	<u>159,998</u>	<u>15,285,522</u>	<u>15,335,678</u>
Expenditures				
Staff salaries	10,374,579	-	10,374,579	10,248,331
Employee benefits <i>(Note 10)</i>	1,954,625	-	1,954,625	1,877,976
Staff travel and training	123,514	-	123,514	89,003
Training allowances and benefits	-	-	-	8,600
Purchased services	1,227,512	-	1,227,512	1,067,567
Supplies	192,937	-	192,937	183,617
Food costs	200,273	-	200,273	180,845
Premises rent, other rentals and insurance <i>(Note 15)</i>	384,371	-	384,371	364,100
Utilities and taxes	255,682	-	255,682	245,339
Repairs and maintenance	82,521	-	82,521	128,783
New equipment and replacements	147,063	-	147,063	348,512
Vehicle operations	72,336	-	72,336	65,796
Other service costs <i>(Note 11)</i>	52,341	28,071	80,412	76,688
Mortgage payments <i>(Note 8)</i>	25,663	-	25,663	25,477
Amortization	-	15,972	15,972	17,841
Employee recognition	<u>-</u>	<u>17,648</u>	<u>17,648</u>	<u>7,335</u>
	<u>15,093,417</u>	<u>61,691</u>	<u>15,155,108</u>	<u>14,935,810</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 32,107</u>	<u>\$ 98,307</u>	<u>\$ 130,414</u>	<u>\$ 399,868</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Changes in Net Assets
Year Ended March 31, 2020

	Internally Restricted Net Assets	Internally Restricted Net Assets Invested in Capital Assets	Externally Restricted Net Assets	Unrestricted Net Assets	Total
<u>2020</u>					
Balance, beginning of year	\$ 2,050,008	\$ 401,074	\$ 35,726	\$ 1,270,999	\$ 3,757,807
Excess revenue over expenditures	98,307	-	-	32,107	130,414
Amortization of capital assets	15,972	(15,972)	-	-	-
Interfund transfers <i>(Note 12)</i>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>(2,920)</u>	<u>-</u>
Balance, end of year	<u>\$ 2,164,287</u>	<u>\$ 385,102</u>	<u>\$ 38,646</u>	<u>\$ 1,300,186</u>	<u>\$ 3,888,221</u>
<u>2019</u>					
Balance, beginning of year	\$ 1,998,241	\$ 409,559	\$ 32,806	\$ 917,333	\$ 3,357,939
Excess revenue over expenditures	43,282	-	-	356,586	399,868
Net acquisitions (disposals) of capital assets	(9,356)	9,356	-	-	-
Amortization of capital assets	17,841	(17,841)	-	-	-
Interfund transfers <i>(Note 12)</i>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>(2,920)</u>	<u>-</u>
Balance, end of year	<u>\$ 2,050,008</u>	<u>\$ 401,074</u>	<u>\$ 35,726</u>	<u>\$ 1,270,999</u>	<u>\$ 3,757,807</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Cash Flows
Year Ended March 31, 2020

	Operating Fund	Capital Fund	2020 Total	2019 Total
OPERATING ACTIVITIES				
Excess revenue over expenditures	\$ 32,107	\$ 98,307	\$ 130,414	\$ 399,868
Expenditures not requiring a cash outlay:				
Amortization	-	15,972	15,972	17,841
Accrued interest on investments	-	(201)	(201)	(1,883)
	<u>32,107</u>	<u>114,078</u>	<u>146,185</u>	<u>415,826</u>
(Increase) decrease in accounts receivable	(7,493)	(104)	(7,597)	112,235
(Increase) decrease in prepaid expenditures	(51,124)	(4,520)	(55,644)	36,496
Increase (decrease) in accounts payable and accrued liabilities	(246,643)	(9,479)	(256,122)	54,426
Increase (decrease) in government advances	481,817	-	481,817	381,593
	<u>176,557</u>	<u>(14,103)</u>	<u>162,454</u>	<u>584,750</u>
Net cash provided by (used for) operating activities	<u>208,664</u>	<u>99,975</u>	<u>308,639</u>	<u>1,000,576</u>
INVESTING ACTIVITIES				
Purchase of investment	-	(511,406)	(511,406)	(500,887)
Proceeds of disposition of investment	-	500,887	500,887	493,063
Purchase of capital assets	-	-	-	(9,356)
Net cash provided by (used for) investing activities	<u>-</u>	<u>(10,519)</u>	<u>(10,519)</u>	<u>(17,180)</u>
FINANCING ACTIVITIES				
Interfund transfers	3,159	(3,159)	-	-
Net cash provided by (used for) financing activities	<u>3,159</u>	<u>(3,159)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash	211,823	86,297	298,120	983,396
Cash, beginning of year	<u>2,350,926</u>	<u>1,774,374</u>	<u>4,125,300</u>	<u>3,141,904</u>
Cash, end of year	<u>\$ 2,562,749</u>	<u>\$ 1,860,671</u>	<u>\$ 4,423,420</u>	<u>\$ 4,125,300</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2020

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 Children, 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 Organization follows the restricted fund method of account for contributions. Under the restricted fund method, restricted contributions for which no separate restricted fund exists are reported in the Operating Fund and are accounted for using the deferral method of accounting for contributions.

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 Children, 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 Children, 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.

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, accounts receivable and interfund receivables.

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, 2020

2. CASH

	Operating Fund	Capital Fund	2020 Total	2019 Total
Unrestricted				
Cash on hand	\$ 119	\$ -	\$ 119	\$ 841
Equitable Life deposit account	195,914	-	195,914	195,464
Bank of Montreal accounts	<u>2,366,716</u>	<u>-</u>	<u>2,366,716</u>	<u>2,154,621</u>
	<u>2,562,749</u>	<u>-</u>	<u>2,562,749</u>	<u>2,350,926</u>
Restricted				
Bank of Montreal accounts	-	1,860,384	1,860,384	1,774,027
Meridian Credit Union accounts	<u>-</u>	<u>287</u>	<u>287</u>	<u>347</u>
	<u>-</u>	<u>1,860,671</u>	<u>1,860,671</u>	<u>1,774,374</u>
	<u>\$ 2,562,749</u>	<u>\$ 1,860,671</u>	<u>\$ 4,423,420</u>	<u>\$ 4,125,300</u>

Included in restricted cash of the capital fund is externally restricted cash of \$39,797 (2019 - \$36,135). Interest is earned on the Bank of Montreal accounts at bank prime (2019 - bank prime) and on the Meridian Credit Union accounts at an average rate of 1.00% (2019 - 1.00%).

3. INVESTMENT

The investment consists of a Guaranteed Investment Certificate (GIC), maturing June 21, 2020 (2019 - June 21, 2019). The fair value of the GIC includes accrued interest of approximately \$8,386 as at March 31, 2020 (2019 - \$8,184). The GIC has an average effective rate of interest of 2.10% (2019 - 2.10%).

4. ACCOUNTS RECEIVABLE

	Operating Fund		Capital Fund	
	2020	2019	2020	2019
Trade receivables	\$ 190,526	\$ 163,218	\$ -	\$ -
Harmonized sales tax recoverable	16,399	52,740	112	8
Government grants	<u>52,854</u>	<u>36,328</u>	<u>-</u>	<u>-</u>
	<u>\$ 259,779</u>	<u>\$ 252,286</u>	<u>\$ 112</u>	<u>\$ 8</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2020

5. CAPITAL ASSETS

	2020		2019	
	Cost	Accumulated Amortization	Net	Net
CLH Reserve Fund				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,921	1,412,160	427,761	460,125
Parking lots	33,381	17,263	16,118	16,790
Motor vehicles	75,510	69,936	5,574	7,965
Furniture and equipment	290,725	287,885	2,840	3,550
	\$ 2,368,376	\$ 1,787,244	\$ 581,132	\$ 617,269

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	Operating Fund		Capital Fund	
	2020	2019	2020	2019
Accounts payable	\$ 111,736	\$ 295,956	\$ 15,263	\$ 24,742
Government remittances payable	138,896	226,345	-	-
Accrued liabilities	536,161	511,135	-	-
	\$ 786,793	\$ 1,033,436	\$ 15,263	\$ 24,742

7. GOVERNMENT ADVANCES

	2020	2019
Ontario Ministry of Children, Community and Social Services		
Dedicated Housing Support	\$ 6,399	\$ 17,537
Residential Services	57,687	59,394
Family Home Program	5,545	9,984
Family Support Program	34,412	34,500
Dedicated Housing Support Infrastructure	10,286	10,286
Employment Supports - DS	58,836	58,836
Community Participation Services	123,204	128,109
Special Services at Home	-	1,486
Supported Independent Living Program	23,295	31,599
Partner Facility Renewal	2,054	2,054
	321,718	353,785
City of Hamilton		
Integration Resources Hub Program	61,327	-
Special Needs Program	586,866	134,309
	\$ 969,911	\$ 488,094

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2020

8. MORTGAGES PAYABLE

	<u>2020</u>	<u>2019</u>
Mortgage payable, bearing interest at 3.105%, repayable in blended monthly installments of \$1,128, secured by the Kensington building with a net book value of \$101,973 (2019 - \$112,193), maturing October 1, 2023	\$ 101,973	\$ 112,193
Mortgage payable, bearing interest at 2.220%, repayable in blended monthly installments of \$1,010, secured by the Appleford building with a net book value of \$94,057 (2019 - \$104,002), maturing January 1, 2024	<u>94,057</u>	<u>104,002</u>
	196,030	216,195
Principal payments due within one year	<u>20,697</u>	<u>20,147</u>
	\$ 175,333	\$ 196,048

Principal amounts due within the next four years are as follows:

2021	-	\$ 20,697
2022	-	\$ 21,249
2023	-	\$ 21,821
2024	-	\$ 132,263

Interest in the amount of \$5,498 (2019 - \$5,894) was paid during the year, which has been included in the mortgage payments expenditure on the statement of operations.

9. BANK OPERATING LINE

The Organization has a revolving demand credit line with an \$800,000 (2019 - \$800,000) limit of which \$800,000 (2019 - \$800,000) remained unused at March 31, 2020. Interest is calculated at bank prime per annum and is payable monthly. The credit line is secured by a general security agreement.

10. 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 \$226,931 (2019 - \$232,794).

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2020

11. 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 \$5,149 (2019 - \$5,123) was earned during the fiscal year ended March 31, 2019. A balance of \$Nil (2019 - \$10,306) was requested to be transferred to the Organization leaving a balance of \$5,149 (2019 - \$Nil) available for distribution and cumulative undistributed income of \$5,149 (2019 - \$Nil).

12. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS

The amount of \$2,920 (2019 - \$2,920) was transferred from the Operating Fund to the Capital Fund to reflect the budgeted allocation for the year. The Board of Directors has internally restricted net assets invested in capital assets of \$385,102 (2019 - \$401,074). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

13. NET ASSETS - CAPITAL FUND

	<u>2020</u>	<u>2019</u>
Internally restricted net assets		
CLH Reserve Fund	\$ 2,146,172	\$ 2,031,893
Community Respite Centre Fund	<u>18,115</u>	<u>18,115</u>
	2,164,287	2,050,008
Internally restricted net assets invested in capital assets (Note 14)	385,102	401,074
Externally restricted net assets		
Ontario Ministry of Children, Community and Social Services Capital Reserve Fund	<u>38,646</u>	<u>35,726</u>
	<u>\$ 2,588,035</u>	<u>\$ 2,486,808</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2020

14. INTERNALLY RESTRICTED NET ASSETS INVESTED IN CAPITAL ASSETS

	<u>2020</u>	<u>2019</u>
Capital assets, net	\$ 581,132	\$ 617,269
Mortgages payable	<u>(196,030)</u>	<u>(216,195)</u>
	<u>\$ 385,102</u>	<u>\$ 401,074</u>

15. COMMITMENTS

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

2021	-	\$ 47,338
2022	-	\$ 698
2023	-	\$ 698
2024	-	\$ 524

16. ECONOMIC DEPENDENCE

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

17. 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, 2020.

(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.

17. FINANCIAL INSTRUMENTS (Continued)

(c) Interest Rate Risk

The Organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2020 the Organization had a fixed interest GIC as described in *Note 3* and fixed interest mortgages as described in *Note 8*. 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.

18. SUBSEQUENT EVENT

In early March 2020, the COVID-19 virus was declared a global pandemic and actions were taken by the Canadian government to control the outbreak by enacting emergency measures, including restrictions on public activities, travel and commercial operations. As a result of these preventative measures the Organization's operations could be impacted for months or more. The current situation may lead to adverse changes in cash flows and working capital levels which may also have a direct impact on the Organization's operating results and financial position. The Organization's main funders, the Ontario Ministry of Children, Community and Social Services and the City of Hamilton, have maintained their funding allocation at the same level as the prior year and the Ontario Ministry of Children, Community and Social Services is providing additional funding for Covid-19 related expenditures. Management is carefully monitoring the situation. While we expect this to be temporary, there is uncertainty around its duration and broader impact.

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Capital Fund
Year Ended March 31, 2020

	<u>Internally Restricted Net Assets</u>		<u>Externally Restricted Net Assets</u>	2020 Total Capital Fund	2019 Total Capital Fund
	CLH Reserve Fund	Community Respite Centre Fund	Ontario M.C.C.S.S. Capital Reserve Fund		
Revenue					
Investment revenue	\$ 96,829	\$ -	\$ -	\$ 96,829	\$ 85,184
Donations, fundraising and other revenue	<u>63,169</u>	<u>-</u>	<u>-</u>	<u>63,169</u>	<u>14,947</u>
	<u>159,998</u>	<u>-</u>	<u>-</u>	<u>159,998</u>	<u>100,131</u>
Expenditures					
Purchased services	-	-	-	-	728
Other service costs	28,071	-	-	28,071	30,945
Amortization	15,972	-	-	15,972	17,841
Employee recognition	<u>17,648</u>	<u>-</u>	<u>-</u>	<u>17,648</u>	<u>7,335</u>
	<u>61,691</u>	<u>-</u>	<u>-</u>	<u>61,691</u>	<u>56,849</u>
EXCESS REVENUE OVER EXPENDITURES	98,307	-	-	98,307	43,282
Net assets, beginning of year	2,031,893	18,115	35,726	2,085,734	2,039,532
Inter-fund transfers (Note 12)	<u>15,972</u>	<u>-</u>	<u>2,920</u>	<u>18,892</u>	<u>2,920</u>
Net assets, end of year	<u>\$ 2,146,172</u>	<u>\$ 18,115</u>	<u>\$ 38,646</u>	<u>\$ 2,202,933</u>	<u>\$ 2,085,734</u>

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Operating Fund
Year Ended March 31, 2020

	Centrally Allocated Administration	MCCSS Funded Services (Page 22)	MCCSS Employment Supports (Page 23)	MCCSS Dedicated Housing Support	Community Support and Development Programs	Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ -	\$ 9,542,897	\$ 125,500	\$ -	\$ 131,840	\$ 9,800,237
City of Hamilton	-	-	-	-	3,072,827	3,072,827
Federal government	-	7,160	7,792	-	29,117	44,069
United Way	-	-	-	-	41,381	41,381
Other	-	-	-	52,182	-	52,182
	<u>-</u>	<u>9,550,057</u>	<u>133,292</u>	<u>52,182</u>	<u>3,275,165</u>	<u>13,010,696</u>
Association Generated						
Contract sales	-	-	-	-	712,513	712,513
Cafeteria sales	-	744	-	-	-	744
Accommodation charges	-	441,741	-	-	-	441,741
Rental revenue	-	167,489	-	13,992	-	181,481
Program fees	10,000	49,526	-	-	555,553	615,079
Other	8,929	147,641	-	-	6,700	163,270
	<u>18,929</u>	<u>807,141</u>	<u>-</u>	<u>13,992</u>	<u>1,274,766</u>	<u>2,114,828</u>
	<u>18,929</u>	<u>10,357,198</u>	<u>133,292</u>	<u>66,174</u>	<u>4,549,931</u>	<u>15,125,524</u>
EXPENDITURES						
Staff salaries	958,850	6,687,692	18,799	7,992	2,701,246	10,374,579
Employee benefits	171,810	1,218,521	6,472	936	556,886	1,954,625
Staff travel and training	16,865	23,341	830	-	82,478	123,514
Purchased services	322,353	364,678	1,318	863	538,300	1,227,512
Supplies	63,685	95,767	672	184	32,629	192,937
Food costs	1,122	185,751	-	-	13,400	200,273
Premises rent, other rentals and insurance	75,489	298,256	557	2,295	7,774	384,371
Utilities and taxes	6,924	164,320	-	12,594	71,844	255,682
Repairs and maintenance	-	77,814	130	296	4,281	82,521
New equipment and replacements	7,813	122,459	3,092	6,472	7,227	147,063
Vehicle operations	1,204	69,436	-	-	1,696	72,336
Other service costs	28,794	8,087	216	6,155	9,089	52,341
Mortgage payments	-	-	-	25,663	-	25,663
Centrally allocated administration	(1,282,881)	1,039,835	45,000	-	198,046	-
	<u>372,028</u>	<u>10,355,957</u>	<u>77,086</u>	<u>63,450</u>	<u>4,224,896</u>	<u>15,093,417</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	(353,099)	1,241	56,206	2,724	325,035	32,107
Transfer to MCCSS Capital Reserve Fund	-	-	-	(2,920)	-	(2,920)
Program surplus (deficit)	<u>\$ (353,099)</u>	<u>\$ 1,241</u>	<u>\$ 56,206</u>	<u>\$ (196)</u>	<u>\$ 325,035</u>	<u>\$ 29,187</u>

COMMUNITY LIVING HAMILTON
Schedule of Ontario Ministry of Children, Community and Social Services Funded Services
Year Ended March 31, 2020

	Group Living Support	Adult Individual Living Support	Adult Community Access Support	Respite Support Children	Special Services At Home Children	Sub-Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ 3,568,657	\$ 436,429	\$ 3,983,667	\$ 579,220	\$ 125,560	\$ 8,693,533
Federal government	-	-	-	7,160	-	7,160
	<u>3,568,657</u>	<u>436,429</u>	<u>3,983,667</u>	<u>586,380</u>	<u>125,560</u>	<u>8,700,693</u>
Association Generated						
Cafeteria sales	-	-	744	-	-	744
Accommodation charges	441,741	-	-	-	-	441,741
Rental revenue	167,489	-	-	-	-	167,489
Program fees	-	-	5,451	9,975	-	15,426
Other	3,875	-	8,297	135,469	-	147,641
	<u>613,105</u>	<u>-</u>	<u>14,492</u>	<u>145,444</u>	<u>-</u>	<u>773,041</u>
	<u>4,181,762</u>	<u>436,429</u>	<u>3,998,159</u>	<u>731,824</u>	<u>125,560</u>	<u>9,473,734</u>
EXPENDITURES						
Staff salaries	2,939,471	297,287	2,563,996	385,257	98,279	6,284,290
Employee benefits	438,057	53,922	578,466	46,550	25,372	1,142,367
Staff travel and training	8,095	7,329	2,293	2,501	329	20,547
Purchased services	60,320	10,960	72,849	69,486	88	213,703
Supplies	39,021	103	35,860	10,328	579	85,891
Food costs	152,107	-	10,147	11,622	12	173,888
Premises rent, other rentals and insurance (Note 15)	145,280	7,923	70,094	453	-	223,750
Utilities and taxes	68,338	2,574	72,372	11,319	499	155,102
Repairs and maintenance	11,353	-	4,280	54,364	-	69,997
New equipment and replacements	8,785	361	29,580	38,340	150	77,216
Vehicle operations	838	-	65,310	3,288	-	69,436
Other service costs	2,844	-	3,971	963	252	8,030
Centrally allocated administration	395,065	48,007	426,570	80,022	-	949,664
	<u>4,269,574</u>	<u>428,466</u>	<u>3,935,788</u>	<u>714,493</u>	<u>125,560</u>	<u>9,473,881</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	<u>\$ (87,812)</u>	<u>\$ 7,963</u>	<u>\$ 62,371</u>	<u>\$ 17,331</u>	<u>\$ -</u>	<u>\$ (147)</u>

COMMUNITY LIVING HAMILTON

Schedule of Ontario Ministry of Children, Community and Social Services Funded Services (Continued)

Year Ended March 31, 2020

	Sub-Total	ASD Respite Services	DS Employment Supports	Pandemic Costs	Adult Respite	Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ 8,693,533	\$ 150,243	\$ 612,221	\$ -	\$ 86,900	\$ 9,542,897
Federal government	<u>7,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,160</u>
	<u>8,700,693</u>	<u>150,243</u>	<u>612,221</u>	<u>-</u>	<u>86,900</u>	<u>9,550,057</u>
Association Generated						
Cafeteria sales	744	-	-	-	-	744
Accommodation charges	441,741	-	-	-	-	441,741
Rental revenue	167,489	-	-	-	-	167,489
Program fees	15,426	-	-	-	34,100	49,526
Other	<u>147,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,641</u>
	<u>773,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,100</u>	<u>807,141</u>
	<u>9,473,734</u>	<u>150,243</u>	<u>612,221</u>	<u>-</u>	<u>121,000</u>	<u>10,357,198</u>
EXPENDITURES						
Staff salaries	6,284,290	-	292,062	26,233	85,107	6,687,692
Employee benefits	1,142,367	-	67,252	2,751	6,151	1,218,521
Staff travel and training	20,547	-	2,248	157	389	23,341
Purchased services	213,703	131,223	10,453	4,833	4,466	364,678
Supplies	85,891	-	288	7,496	2,092	95,767
Food costs	173,888	1,992	174	3,873	5,824	185,751
Premises rent, other rentals and insurance	223,750	2,004	44,704	-	27,798	298,256
Utilities and taxes	155,102	-	705	-	8,513	164,320
Repairs and maintenance	69,997	-	7,412	-	405	77,814
New equipment and replacements	77,216	-	40,641	1,497	3,105	122,459
Vehicle operations	69,436	-	-	-	-	69,436
Other service costs	8,030	-	57	-	-	8,087
Centrally allocated administration	<u>949,664</u>	<u>15,024</u>	<u>65,588</u>	<u>-</u>	<u>9,559</u>	<u>1,039,835</u>
	<u>9,473,881</u>	<u>150,243</u>	<u>531,584</u>	<u>46,840</u>	<u>153,409</u>	<u>10,355,957</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	<u>\$ (147)</u>	<u>\$ -</u>	<u>\$ 80,637</u>	<u>\$ (46,840)</u>	<u>\$ (32,409)</u>	<u>\$ 1,241</u>

COMMUNITY LIVING HAMILTON**Schedule of Ontario Ministry of Children, Community and Social Services Employment Supports
Year Ended March 31, 2020**

	Job Placement	Job Retention and Advancement	Total
REVENUE			
Grants and Subsidies			
Ontario Ministry of Children, Community and Social Services	\$ 63,000	\$ 62,500	\$ 125,500
Federal government	<u>3,896</u>	<u>3,896</u>	<u>7,792</u>
	<u>66,896</u>	<u>66,396</u>	<u>133,292</u>
EXPENDITURES			
Staff salaries	9,437	9,362	18,799
Employee benefits	3,249	3,223	6,472
Staff travel	417	413	830
Purchased services	662	656	1,318
Supplies	337	335	672
Premises rent, other rentals and insurance	280	277	557
Repairs and maintenance	65	65	130
New equipment and replacements	1,552	1,540	3,092
Other service costs	108	108	216
Centrally allocated administration	<u>22,590</u>	<u>22,410</u>	<u>45,000</u>
	<u>38,697</u>	<u>38,389</u>	<u>77,086</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 28,199</u>	<u>\$ 28,007</u>	<u>\$ 56,206</u>