

**COMMUNITY LIVING HAMILTON
HAMILTON, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2023**

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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, 2023 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, 2023, 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, (deficiency of) excess revenue over expenditures, and cash flows from operations for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022 and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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
August 28, 2023

HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING HAMILTON
Statement of Financial Position
As at March 31, 2023

	Operating Fund	Capital Fund	2023 Total	2022 Total
ASSETS				
Current				
Cash (Note 2)	\$ 2,461,460	\$ 2,052,672	\$ 4,514,132	\$ 4,643,631
Short term investment (Note 3)	-	555,190	555,190	540,907
Accounts receivable (Note 4)	224,837	-	224,837	343,296
Inter-fund receivables (payables)	245,779	(245,779)	-	-
Prepaid expenditures	<u>34,329</u>	<u>6,650</u>	<u>40,979</u>	<u>37,854</u>
	2,966,405	2,368,733	5,335,138	5,565,688
Long term investments (Note 5)	-	1,433,842	1,433,842	1,485,518
Capital assets (Note 6)	<u>-</u>	<u>473,904</u>	<u>473,904</u>	<u>511,206</u>
	<u>\$ 2,966,405</u>	<u>\$ 4,276,479</u>	<u>\$ 7,242,884</u>	<u>\$ 7,562,412</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 7)	\$ 964,936	\$ 19,192	\$ 984,128	\$ 1,453,066
Government advances (Note 8)	849,300	-	849,300	523,542
Current portion of mortgages payable (Note 9)	<u>-</u>	<u>132,204</u>	<u>132,204</u>	<u>21,821</u>
	1,814,236	151,396	1,965,632	1,998,429
Mortgages payable (Note 9)	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,224</u>
	<u>1,814,236</u>	<u>151,396</u>	<u>1,965,632</u>	<u>2,130,653</u>
NET ASSETS (Page 6)				
Internally restricted net assets (Note 14)	-	3,734,616	3,734,616	3,745,836
Internally restricted net assets invested in capital assets (Notes 14 and 15)	-	341,700	341,700	357,161
Externally restricted net assets (Note 14)	-	48,767	48,767	45,847
Unrestricted net assets	<u>1,152,169</u>	<u>-</u>	<u>1,152,169</u>	<u>1,282,915</u>
	<u>1,152,169</u>	<u>4,125,083</u>	<u>5,277,252</u>	<u>5,431,759</u>
	<u>\$ 2,966,405</u>	<u>\$ 4,276,479</u>	<u>\$ 7,242,884</u>	<u>\$ 7,562,412</u>

Commitments (Note 16)

On behalf of the Board:

Director

Director

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Operations
Year Ended March 31, 2023

	Operating Fund (Page 21)	Capital Fund	2023 Total	2022 Total
Revenue				
Grants and Subsidies				
Provincial government subsidies	\$ 10,613,941	\$ -	\$ 10,613,941	\$ 10,177,802
City of Hamilton	2,998,524	-	2,998,524	3,205,946
Federal government subsidies	19,354	-	19,354	26,264
United Way grant	44,843	-	44,843	44,872
Other grants	467,243	-	467,243	48,717
	<u>14,143,905</u>	<u>-</u>	<u>14,143,905</u>	<u>13,503,601</u>
Association Generated				
Contract sales	625,635	-	625,635	395,788
Cafeteria sales	51	-	51	-
Accommodation charges	438,871	-	438,871	421,975
Rental revenue	155,285	-	155,285	172,235
Program fees	532,657	-	532,657	460,187
Investment revenue	-	70,405	70,405	33,986
Donations, fundraising and other revenue	19,666	(21,594)	(1,928)	1,608,118
	<u>1,772,165</u>	<u>48,811</u>	<u>1,820,976</u>	<u>3,092,289</u>
	<u>15,916,070</u>	<u>48,811</u>	<u>15,964,881</u>	<u>16,595,890</u>
Expenditures				
Staff salaries	10,025,439	-	10,025,439	9,357,138
Employee benefits (Note 11)	1,972,386	-	1,972,386	1,906,817
Staff travel and training	222,748	-	222,748	159,437
Training allowances and benefits	8,308	-	8,308	-
Purchased services	1,833,578	-	1,833,578	1,284,579
Supplies	193,643	-	193,643	227,142
Food costs	190,224	-	190,224	178,621
Premises rent, other rentals and insurance (Note 16)	455,590	-	455,590	389,990
Utilities and taxes	239,111	-	239,111	202,417
Repairs and maintenance	319,321	-	319,321	850,002
New equipment and replacements	415,252	-	415,252	296,475
Vehicle operations	50,171	-	50,171	38,418
Other service costs	90,198	18,475	108,673	101,787
Mortgage payments (Note 9)	25,663	-	25,663	25,663
Bad debts	2,264	-	2,264	1,325
Amortization	-	15,461	15,461	13,168
Employee recognition	-	41,556	41,556	45,021
	<u>16,043,896</u>	<u>75,492</u>	<u>16,119,388</u>	<u>15,078,000</u>
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENDITURES	<u>\$ (127,826)</u>	<u>\$ (26,681)</u>	<u>\$ (154,507)</u>	<u>\$ 1,517,890</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Changes in Net Assets
Year Ended March 31, 2023

	Internally Restricted Net Assets	Internally Restricted Net Assets Invested in Capital Assets	Externally Restricted Net Assets	Unrestricted Net Assets	Total
<u>2023</u>					
Balance, beginning of year	\$ 3,745,836	\$ 357,161	\$ 45,847	\$ 1,282,915	\$ 5,431,759
Deficiency of revenue over expenditures	(26,681)	-	-	(127,826)	(154,507)
Amortization of capital assets	15,461	(15,461)	-	-	-
Interfund transfers <i>(Note 13)</i>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>(2,920)</u>	<u>-</u>
Balance, end of year	<u>\$ 3,734,616</u>	<u>\$ 341,700</u>	<u>\$ 48,767</u>	<u>\$ 1,152,169</u>	<u>\$ 5,277,252</u>
<u>2022</u>					
Balance, beginning of year	\$ 2,228,185	\$ 370,372	\$ 42,927	\$ 1,272,385	\$ 3,913,869
Excess revenue over expenditures	1,504,440	-	-	13,450	1,517,890
Net acquisitions (disposals) of capital assets	43	(43)	-	-	-
Amortization of capital assets	13,168	(13,168)	-	-	-
Interfund transfers <i>(Note 13)</i>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>(2,920)</u>	<u>-</u>
Balance, end of year	<u>\$ 3,745,836</u>	<u>\$ 357,161</u>	<u>\$ 45,847</u>	<u>\$ 1,282,915</u>	<u>\$ 5,431,759</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Cash Flows
Year Ended March 31, 2023

	Operating Fund	Capital Fund	2023 Total	2022 Total
OPERATING ACTIVITIES				
(Deficiency of) excess revenue over expenditures	\$ (127,826)	\$ (26,681)	\$ (154,507)	\$ 1,517,890
Expenditures not requiring a cash outlay:				
Amortization	-	15,461	15,461	13,168
Accrued interest on short term investments	-	3,837	3,837	(163)
Donation of investments	-	-	-	(817,425)
Change in fair value of long term investments	-	51,676	51,676	56,907
Loss on sale of capital assets	-	-	-	43
	<u>(127,826)</u>	<u>44,293</u>	<u>(83,533)</u>	<u>770,420</u>
(Increase) decrease in accounts receivable	118,412	47	118,459	177,082
(Increase) decrease in prepaid expenditures	2,525	(5,650)	(3,125)	(25,161)
Increase (decrease) in accounts payable and accrued liabilities	(470,994)	2,056	(468,938)	636,985
Increase (decrease) in government advances	<u>325,758</u>	<u>-</u>	<u>325,758</u>	<u>(276,349)</u>
	<u>(24,299)</u>	<u>(3,547)</u>	<u>(27,846)</u>	<u>512,557</u>
Net cash provided by (used for) operating activities	<u>(152,125)</u>	<u>40,746</u>	<u>(111,379)</u>	<u>1,282,977</u>
INVESTING ACTIVITIES				
Purchase of short term investment	-	(1,094,009)	(1,094,009)	(532,618)
Proceeds of disposition of short term investment	-	1,075,889	1,075,889	522,175
Purchase of long term investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(725,000)</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>(18,120)</u>	<u>(18,120)</u>	<u>(735,443)</u>
FINANCING ACTIVITIES				
Interfund transfers	<u>(61,184)</u>	<u>61,184</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>(61,184)</u>	<u>61,184</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash	(213,309)	83,810	(129,499)	547,534
Cash, beginning of year	<u>2,674,769</u>	<u>1,968,862</u>	<u>4,643,631</u>	<u>4,096,097</u>
Cash, end of year	<u>\$ 2,461,460</u>	<u>\$ 2,052,672</u>	<u>\$ 4,514,132</u>	<u>\$ 4,643,631</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

DESCRIPTION OF ORGANIZATION

Community Living Hamilton was incorporated in the Province of Ontario on May 8, 1953, as a corporation without share capital and as a registered charity is exempt from the payment of income taxes under 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 include cash, accounts receivable and interfund receivables.

Financial liabilities subsequently measured at amortized cost 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. Long term investments are held in an independently managed portfolio which can be promptly liquidated if required. These investments have been classified as long term investments as the organization does not intend to use these investments in the next 12 months. Investment purchase and sale transactions are accounted for on the trade date. Investment revenue includes interest, dividends 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%

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 excess 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, 2023

2. CASH

	Operating Fund	Capital Fund	2023 Total	2022 Total
Unrestricted				
Cash on hand	\$ 61	\$ -	\$ 61	\$ 61
Bank of Montreal accounts	<u>2,461,399</u>	<u>-</u>	<u>2,461,399</u>	<u>2,674,708</u>
	<u>2,461,460</u>	<u>-</u>	<u>2,461,460</u>	<u>2,674,769</u>
Restricted				
Bank of Montreal accounts	-	2,052,583	2,052,583	1,968,695
Meridian Credit Union accounts	<u>-</u>	<u>89</u>	<u>89</u>	<u>167</u>
	<u>-</u>	<u>2,052,672</u>	<u>2,052,672</u>	<u>1,968,862</u>
	<u>\$ 2,461,460</u>	<u>\$ 2,052,672</u>	<u>\$ 4,514,132</u>	<u>\$ 4,643,631</u>

Included in restricted cash of the capital fund is externally restricted cash of \$47,347 (2022 - \$46,048). Interest is earned on the Bank of Montreal accounts at bank prime (2022 - bank prime) and on the Meridian Credit Union accounts at an average rate of 1.00% (2022 - 1.00%).

3. SHORT TERM INVESTMENT

The investment consists of a Guaranteed Investment Certificate (GIC), maturing January 31, 2025 (2022 - June 22, 2022). The fair value of the GIC includes accrued interest of approximately \$4,451 as at March 31, 2023 (2022 - \$8,288). The GIC has an average effective rate of interest of 5.00% (2022 - 2.00%).

4. ACCOUNTS RECEIVABLE

	Operating Fund		Capital Fund	
	2023	2022	2023	2022
Trade receivables	\$ 149,210	\$ 235,365	\$ -	\$ -
Harmonized sales tax recoverable	67,507	107,872	-	47
Government grants	<u>8,120</u>	<u>12</u>	<u>-</u>	<u>-</u>
	<u>\$ 224,837</u>	<u>\$ 343,249</u>	<u>\$ -</u>	<u>\$ 47</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

5. LONG TERM INVESTMENTS

	<u>2023</u>	<u>2022</u>
Cash and short term investments	\$ 115,599	\$ 101,252
Fixed income	465,367	482,913
Canadian equities	710,288	609,276
Foreign equities	137,630	287,172
Investment trusts	4,958	4,905
	<u>\$ 1,433,842</u>	<u>\$ 1,485,518</u>

Interest rates on the fixed income vary from approximately 1.75% to 5.85% (2022 - 1.75% to 5.85%). The bonds mature at various dates from September 15, 2026 to December 2, 2051 (2022 - September 11, 2023 to December 2, 2051).

6. CAPITAL ASSETS

	<u>2023</u>			<u>2022</u>
	Cost	Accumulated Amortization	Net	Net
CLH Reserve Fund				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,921	1,511,786	328,135	363,185
Parking lots	33,381	19,276	14,105	14,854
Motor vehicles	21,961	20,477	1,484	2,510
Furniture and equipment	290,725	289,384	1,341	1,818
	<u>\$ 2,314,827</u>	<u>\$ 1,840,923</u>	<u>\$ 473,904</u>	<u>\$ 511,206</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>Operating Fund</u>		<u>Capital Fund</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 328,791	\$ 459,272	\$ 19,192	\$ 17,136
Government remittances payable	123,225	128,000	-	-
Accrued liabilities	512,920	848,658	-	-
	<u>\$ 964,936</u>	<u>\$ 1,435,930</u>	<u>\$ 19,192</u>	<u>\$ 17,136</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

8. GOVERNMENT ADVANCES

	<u>2023</u>	<u>2022</u>
Ontario Ministry of Children, Community and Social Services		
Dedicated Housing Support	\$ 13,358	\$ 8,806
Residential Services	89,502	57,681
ASD Respite Services	6,406	6,412
Family Home Program	-	5,545
Family Support Program	69,538	69,539
Employment Supports - DS	58,836	58,836
Feed the Community	6,453	-
Community Participation Services	78,115	78,115
Community Support/Development	53,885	53,883
Special Services at Home	370	2,327
Supported Independent Living Program	25,293	25,292
Pandemic Pay	-	17,141
Partner Facility Renewal	-	18,600
Partner Facility Renewal - fire code	-	2,054
	<u>401,756</u>	<u>404,231</u>
City of Hamilton		
Special Needs Program	435,255	114,852
FEDCAP		
Employment Supports	12,289	4,459
	<u>\$ 849,300</u>	<u>\$ 523,542</u>

9. MORTGAGES PAYABLE

	<u>2023</u>	<u>2022</u>
Mortgage payable, bearing interest at 3.105%, repayable in blended monthly instalments of \$1,128, secured by the Kensington building with a net book value of \$69,353 (2022 - \$80,563), maturing October 1, 2023	\$ 69,353	\$ 80,563
Mortgage payable, bearing interest at 2.220%, repayable in blended monthly instalments of \$1,010, secured by the Appleford building with a net book value of \$62,851 (2022 - \$73,482), maturing January 1, 2024	<u>62,851</u>	<u>73,482</u>
	<u>132,204</u>	<u>154,045</u>
Principal payments due within one year	<u>132,204</u>	<u>21,821</u>
	<u>\$ -</u>	<u>\$ 132,224</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

9. MORTGAGES PAYABLE (Continued)

Interest in the amount of \$3,822 (2022 - \$4,413) along with principal payments of \$21,841 (2022 - \$21,250) was paid during the year, which has been included in the mortgage payments expenditure on the statement of operations.

10. BANK OPERATING LINE

The Organization has a revolving demand credit line with an \$800,000 (2022 - \$800,000) limit of which \$800,000 (2022 - \$800,000) remained unused at March 31, 2023. 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 \$233,464 (2022 - \$216,859).

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.

On February 8, 2021, the Organization received the proceeds of the Verna Thurgood estate in memory of Elizabeth Thurgood. In accordance with the wishes expressed in Verna Thurgood's will, on March 19, 2021 the Organization transferred \$79,159 to the Foundation in a new permanent endowment fund known as the Community Living Hamilton Endowment Fund - Elizabeth Thurgood.

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.

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

12. HAMILTON COMMUNITY FOUNDATION - ENDOWMENT FUND (Continued)

During the year the Organization was notified that undistributed income in the amount of \$8,426 (2022 - \$6,472) was earned during the fiscal year ended March 31, 2022. A balance of \$Nil (2022 - \$Nil) was requested to be transferred to the Organization leaving a balance of \$25,208 (2022 - \$16,782) available for distribution and cumulative undistributed income of \$25,208 (2022 - \$16,782).

13. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS

The amount of \$2,920 (2022 - \$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 \$341,700 (2022 - \$357,161). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

14. NET ASSETS - CAPITAL FUND

	<u>2023</u>	<u>2022</u>
Internally restricted net assets		
CLH Reserve Fund	\$ 3,716,501	\$ 3,727,721
Community Respite Centre Fund	<u>18,115</u>	<u>18,115</u>
	3,734,616	3,745,836
Internally restricted net assets invested in capital assets (Note 15)	341,700	357,161
Externally restricted net assets		
Ontario Ministry of Children, Community and Social Services Capital Reserve Fund	<u>48,767</u>	<u>45,847</u>
	<u>\$ 4,125,083</u>	<u>\$ 4,148,844</u>

15. INTERNALLY RESTRICTED NET ASSETS INVESTED IN CAPITAL ASSETS

	<u>2023</u>	<u>2022</u>
Capital assets, net	\$ 473,904	\$ 511,206
Mortgages payable	<u>(132,204)</u>	<u>(154,045)</u>
	<u>\$ 341,700</u>	<u>\$ 357,161</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2023

16. COMMITMENTS

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

2024	-	\$	47,100
2025	-	\$	13,099
2026	-	\$	13,099
2027	-	\$	13,099
2028	-	\$	3,275

17. 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.

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, 2023.

(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

The organization invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market fluctuations. 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.

(i) Currency Risk

The Organization is exposed to currency risk through holdings of long term investments in US dollars as described in *Note 5*. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in a positive or negative effect on the fair value and future cash flows of these investments.

18. FINANCIAL INSTRUMENTS (Continued)

(b) Market Risk (Continued)

(ii) Interest Rate Risk

The Organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2023 the Organization had a fixed interest GIC and fixed income investments as described in *Notes 3 and 5* 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.

(iii) Price Risk

Price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of change in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. During the March 31, 2023 fiscal year end the Organization was subject to price risk due to its purchase of equities as described in *Note 5*. The Organization mitigates this risk by investing across a broad spectrum of asset classes and investment strategies.

(c) 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 other than as noted above from the prior year.

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Capital Fund
Year Ended March 31, 2023

	<u>Internally Restricted Net Assets</u>		<u>Externally Restricted Net Assets</u>	2023 Total Capital Fund	2022 Total Capital Fund
	CLH Reserve Fund	Community Respite Centre Fund	Ontario M.C.C.S.S. Capital Reserve Fund		
Revenue					
Investment revenue	\$ 70,405	\$ -	\$ -	\$ 70,405	\$ 33,986
Donations, fundraising and other revenue	<u>(21,594)</u>	<u>-</u>	<u>-</u>	<u>(21,594)</u>	<u>1,532,122</u>
	<u>48,811</u>	<u>-</u>	<u>-</u>	<u>48,811</u>	<u>1,566,108</u>
Expenditures					
Other service costs	18,475	-	-	18,475	3,479
Amortization	15,461	-	-	15,461	13,168
Employee recognition	<u>41,556</u>	<u>-</u>	<u>-</u>	<u>41,556</u>	<u>45,021</u>
	<u>75,492</u>	<u>-</u>	<u>-</u>	<u>75,492</u>	<u>61,668</u>
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENDITURES	(26,681)	-	-	(26,681)	1,504,440
Net assets, beginning of year	3,727,721	18,115	45,847	3,791,683	2,271,112
Net assets invested in capital assets transfer	15,461	-	-	15,461	13,211
Inter-fund transfers <i>(Note 13)</i>	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>2,920</u>	<u>2,920</u>
Net assets, end of year	<u>\$ 3,716,501</u>	<u>\$ 18,115</u>	<u>\$ 48,767</u>	<u>\$ 3,783,383</u>	<u>\$ 3,791,683</u>

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Operating Fund
Year Ended March 31, 2023

	Centrally Allocated Administration	MCCSS Funded Services (Page 23)	FEDCAP Canada Employment Supports	MCCSS Dedicated Housing Support	Community Support and Development Programs	Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ -	\$ 10,544,211	\$ -	\$ -	\$ 69,730	\$ 10,613,941
City of Hamilton	-	-	-	-	2,998,524	2,998,524
Federal government	-	9,677	-	-	9,677	19,354
United Way	-	-	-	-	44,843	44,843
Other	-	-	-	47,630	419,613	467,243
	<u>-</u>	<u>10,553,888</u>	<u>-</u>	<u>47,630</u>	<u>3,542,387</u>	<u>14,143,905</u>
Association Generated						
Contract sales	-	-	-	-	625,635	625,635
Cafeteria sales	-	51	-	-	-	51
Accommodation charges	-	438,871	-	-	-	438,871
Rental revenue	-	141,293	-	13,992	-	155,285
Program fees	5,000	3,825	135,429	-	388,403	532,657
Other	8,928	-	-	-	10,738	19,666
	<u>13,928</u>	<u>584,040</u>	<u>135,429</u>	<u>13,992</u>	<u>1,024,776</u>	<u>1,772,165</u>
	<u>13,928</u>	<u>11,137,928</u>	<u>135,429</u>	<u>61,622</u>	<u>4,567,163</u>	<u>15,916,070</u>
EXPENDITURES						
Staff salaries	946,640	6,465,682	111,529	7,991	2,493,597	10,025,439
Employee benefits	170,207	1,240,271	19,747	936	541,225	1,972,386
Staff travel and training	59,022	86,918	(7)	-	76,815	222,748
Training allowances	-	-	-	-	8,308	8,308
Purchased services	366,834	680,116	1,567	2,684	782,377	1,833,578
Supplies	82,517	75,139	503	-	35,484	193,643
Food costs	3,442	179,158	-	-	7,624	190,224
Premises rent, other rentals and insurance (Note 16)	119,095	319,540	856	1,482	14,617	455,590
Utilities and taxes	6,526	176,374	263	12,015	43,933	239,111
Repairs and maintenance	837	298,225	-	1,138	19,121	319,321
New equipment and replacements	17,750	365,229	7	208	32,058	415,252
Vehicle operations	1,725	47,750	25	-	671	50,171
Other service costs	28,793	13,287	939	6,585	40,594	90,198
Bad debt	2,174	-	-	-	90	2,264
Mortgage payments (Note 9)	-	-	-	25,663	-	25,663
Centrally allocated administration	(1,466,455)	1,190,259	-	-	276,196	-
	<u>339,107</u>	<u>11,137,948</u>	<u>135,429</u>	<u>58,702</u>	<u>4,372,710</u>	<u>16,043,896</u>
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENDITURES	(325,179)	(20)	-	2,920	194,453	(127,826)
Transfer to MCCSS Capital Reserve Fund (Note 13)	-	-	-	(2,920)	-	(2,920)
Program surplus (deficit)	<u>\$ (325,179)</u>	<u>\$ (20)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,453</u>	<u>\$ (130,746)</u>

COMMUNITY LIVING HAMILTON
Schedule of Ontario Ministry of Children, Community and Social Services Funded Services
Year Ended March 31, 2023

	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	\$ 4,000,168	\$ 459,662	\$ 4,319,172	\$ 809,483	\$ 125,557	\$ 9,714,042
Federal government	-	-	-	9,677	-	9,677
	<u>4,000,168</u>	<u>459,662</u>	<u>4,319,172</u>	<u>819,160</u>	<u>125,557</u>	<u>9,723,719</u>
Association Generated						
Cafeteria sales	-	-	51	-	-	51
Accommodation charges	438,871	-	-	-	-	438,871
Rental revenue	141,293	-	-	-	-	141,293
Program fees	-	-	-	3,825	-	3,825
	<u>580,164</u>	<u>-</u>	<u>51</u>	<u>3,825</u>	<u>-</u>	<u>584,040</u>
	<u>4,580,332</u>	<u>459,662</u>	<u>4,319,223</u>	<u>822,985</u>	<u>125,557</u>	<u>10,307,759</u>
EXPENDITURES						
Staff salaries	3,353,497	308,384	2,312,691	171,298	108,479	6,254,349
Employee benefits	496,561	62,303	563,734	32,559	24,075	1,179,232
Staff travel and training	30,126	5,662	39,347	259	127	75,521
Purchased services	149,164	9,439	120,133	388,991	640	668,367
Supplies	52,600	130	16,253	2,445	3,068	74,496
Food costs	178,683	-	381	94	-	179,158
Premises rent, other rentals and insurance (Note 16)	176,064	18,409	52,744	256	-	247,473
Utilities and taxes	77,687	1,017	74,714	8,515	239	162,172
Repairs and maintenance	199,815	-	89,605	3,841	-	293,261
New equipment and replacements	69,148	-	261,431	-	-	330,579
Vehicle operations	1,614	-	46,136	-	-	47,750
Other service costs	6,266	31	6,206	781	3	13,287
Centrally allocated administration	440,079	52,371	504,179	91,706	-	1,088,335
	<u>5,231,304</u>	<u>457,746</u>	<u>4,087,554</u>	<u>700,745</u>	<u>136,631</u>	<u>10,613,980</u>
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENDITURES	<u>\$ (650,972)</u>	<u>\$ 1,916</u>	<u>\$ 231,669</u>	<u>\$ 122,240</u>	<u>\$ (11,074)</u>	<u>\$ (306,221)</u>

COMMUNITY LIVING HAMILTON

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

Year Ended March 31, 2023

	Sub-Total	ASD Respite Services	DS Employment Supports	Adult Respite	Total
REVENUE					
Grants and Subsidies					
Ontario Ministry of Children, Community and Social Services	\$ 9,714,042	\$ 76,607	\$ 651,135	\$ 102,427	\$ 10,544,211
Federal government	<u>9,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,677</u>
	<u>9,723,719</u>	<u>76,607</u>	<u>651,135</u>	<u>102,427</u>	<u>10,553,888</u>
Association Generated					
Cafeteria sales	51	-	-	-	51
Accommodation charges	438,871	-	-	-	438,871
Rental revenue	141,293	-	-	-	141,293
Program fees	<u>3,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,825</u>
	<u>584,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,040</u>
	<u>10,307,759</u>	<u>76,607</u>	<u>651,135</u>	<u>102,427</u>	<u>11,137,928</u>
EXPENDITURES					
Staff salaries	6,254,349	51,449	155,501	4,383	6,465,682
Employee benefits	1,179,232	4,616	56,044	379	1,240,271
Staff travel and training	75,521	-	11,351	46	86,918
Purchased services	668,367	-	6,994	4,755	680,116
Supplies	74,496	-	92	551	75,139
Food costs	179,158	-	-	-	179,158
Premises rent, other rentals and insurance <i>(Note 16)</i>	247,473	-	43,253	28,814	319,540
Utilities and taxes	162,172	2,513	2,220	9,469	176,374
Repairs and maintenance	293,261	-	-	4,964	298,225
New equipment and replacements	330,579	-	34,588	62	365,229
Vehicle operations	47,750	-	-	-	47,750
Other service costs	13,287	-	-	-	13,287
Centrally allocated administration	<u>1,088,335</u>	<u>18,029</u>	<u>73,467</u>	<u>10,428</u>	<u>1,190,259</u>
	<u>10,613,980</u>	<u>76,607</u>	<u>383,510</u>	<u>63,851</u>	<u>11,137,948</u>
(DEFICIENCY OF) EXCESS REVENUE OVER EXPENDITURES	<u>\$ (306,221)</u>	<u>\$ -</u>	<u>\$ 267,625</u>	<u>\$ 38,576</u>	<u>\$ (20)</u>