

PLEASE SIGN AND RETURN TO  
HOECHT GALVIN KAI

**COMMUNITY LIVING HAMILTON  
HAMILTON, ONTARIO  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2015**

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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, 2015 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, 2015 and for the years ended March 31, 2015 and March 31, 2014, any adjustments might be necessary to donations and fundraising revenue and excess (deficiency of) revenue over expenditures reported on the statements of operations and changes in net assets, excess (deficiency of) revenue over expenditures reported on the statement of 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, 2014.

#### **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, 2015 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 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.



**HAMILTON, ONTARIO**  
**June 30, 2015**


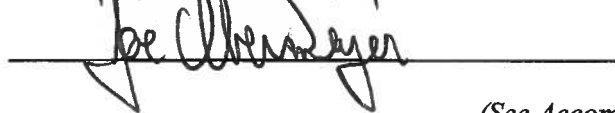
**HOECHT GALVIN KAI**  
**Chartered Professional Accountants**  
**Licensed Public Accountants**

**COMMUNITY LIVING HAMILTON**  
**Statement of Financial Position**  
**As at March 31, 2015**

	Operating Fund	Capital Fund	2015 Total	2014 Total
<b>ASSETS</b>				
<b>Current</b>				
Cash (Note 2)	\$ 1,010,828	\$ 1,500,848	\$ 2,511,676	\$ 2,125,409
Investment (Note 3)	-	476,893	476,893	470,705
Accounts receivable (Note 4)	338,419	(7,760)	330,659	292,447
Inter-fund receivables (payables)	121,640	(121,640)	-	-
Prepaid expenditures	<u>9,464</u>	<u>-</u>	<u>9,464</u>	<u>16,222</u>
	1,480,351	1,848,341	3,328,692	2,904,783
Capital assets (Note 5)	<u>-</u>	<u>756,941</u>	<u>756,941</u>	<u>797,449</u>
	<u>\$ 1,480,351</u>	<u>\$ 2,605,282</u>	<u>\$ 4,085,633</u>	<u>\$ 3,702,232</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities (Note 6)	\$ 978,835	\$ 3,411	\$ 982,246	\$ 786,149
Government advances (Note 7)	261,742	-	261,742	302,949
Unearned revenue	16,265	-	16,265	19,399
Current portion of mortgages payable (Note 8)	<u>-</u>	<u>18,450</u>	<u>18,450</u>	<u>18,008</u>
	1,256,842	21,861	1,278,703	1,126,505
Mortgages payable (Note 8)	<u>-</u>	<u>274,163</u>	<u>274,163</u>	<u>292,649</u>
	<u>1,256,842</u>	<u>296,024</u>	<u>1,552,866</u>	<u>1,419,154</u>
<b>NET ASSETS (Page 5)</b>				
Internally restricted net assets (Note 13)	-	1,821,248	1,821,248	1,775,720
Internally restricted net assets invested in capital assets (Notes 13 and 14)	-	464,328	464,328	486,792
Externally restricted net assets (Note 13)	-	23,682	23,682	20,566
Unrestricted net assets	<u>223,509</u>	<u>-</u>	<u>223,509</u>	<u>-</u>
	<u>223,509</u>	<u>2,309,258</u>	<u>2,532,767</u>	<u>2,283,078</u>
	<u>\$ 1,480,351</u>	<u>\$ 2,605,282</u>	<u>\$ 4,085,633</u>	<u>\$ 3,702,232</u>

Commitments (Note 15)

On behalf of the Board:

  
 \_\_\_\_\_  
  
 \_\_\_\_\_

Director

Director

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2015**

	Operating Fund	Capital Fund	2015 Total	2014 Total
<b>Revenue</b>				
<b>Grants and Subsidies</b>				
Provincial government subsidies	\$ 9,720,526	\$ -	\$ 9,720,526	\$ 9,589,184
City of Hamilton (Note 10)	915,820	-	915,820	926,959
Federal government subsidies	168,455	-	168,455	119,253
United Way grant	52,013	-	52,013	60,698
Other grants	75,731	-	75,731	55,780
	<u>10,932,545</u>	<u>-</u>	<u>10,932,545</u>	<u>10,751,874</u>
<b>Association Generated</b>				
Contract sales	1,069,694	-	1,069,694	849,878
Cafeteria sales	3,150	-	3,150	5,022
Accommodation charges	407,954	-	407,954	409,834
Rental revenue	76,392	-	76,392	124,583
Program fees	509,388	-	509,388	367,443
Investment revenue	-	32,008	32,008	33,278
Donations, fundraising and other revenue	16,832	25,796	42,628	37,861
	<u>2,083,410</u>	<u>57,804</u>	<u>2,141,214</u>	<u>1,827,899</u>
	<u>13,015,955</u>	<u>57,804</u>	<u>13,073,759</u>	<u>12,579,773</u>
<b>Expenditures</b>				
Staff salaries	8,582,933	-	8,582,933	8,316,767
Employee benefits (Note 11)	1,379,209	-	1,379,209	1,380,681
Staff travel and training	80,567	-	80,567	89,615
Training allowances and benefits	141,881	-	141,881	141,288
Purchased services	1,096,056	-	1,096,056	1,363,146
Supplies	183,517	-	183,517	203,682
Food costs	171,316	-	171,316	181,332
Premises rent, other rentals and insurance	353,035	-	353,035	378,521
Utilities and taxes	211,303	-	211,303	213,901
Repairs and maintenance	224,059	-	224,059	117,099
New equipment and replacements	123,109	-	123,109	117,907
Advertising and promotion	1,182	-	1,182	-
Vehicle operations	51,653	-	51,653	56,888
Other service costs	56,033	11,349	67,382	45,538
Bad debt	108,302	-	108,302	-
Mortgage payments (Note 8)	25,371	-	25,371	26,719
Amortization	-	21,997	21,997	24,994
Employee recognition	-	1,198	1,198	5,544
	<u>12,789,526</u>	<u>34,544</u>	<u>12,824,070</u>	<u>12,663,622</u>
<b>EXCESS (DEFICIENCY OF )</b>				
<b>REVENUE OVER EXPENDITURES</b>	<u>\$ 226,429</u>	<u>\$ 23,260</u>	<u>\$ 249,689</u>	<u>\$ (83,849)</u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2015**

	<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>2015</u></b>					
<b>Balance, beginning of year</b>	<b>\$ 1,775,720</b>	<b>\$ 486,792</b>	<b>\$ 20,566</b>	<b>\$ -</b>	<b>\$ 2,283,078</b>
Excess revenue over expenditures	23,064	-	196	226,429	249,689
Net acquisitions (disposals) of capital assets	467	(467)	-	-	-
Amortization of capital assets	21,997	(21,997)	-	-	-
Interfund transfers (Note 12)	-	-	2,920	(2,920)	-
<b>Balance, end of year</b>	<b><u>\$ 1,821,248</u></b>	<b><u>\$ 464,328</u></b>	<b><u>\$ 23,682</u></b>	<b><u>\$ 223,509</u></b>	<b><u>\$ 2,532,767</u></b>
<b><u>2014</u></b>					
Balance, beginning of year	\$ 1,842,425	\$ 507,151	\$ 17,351	\$ -	\$ 2,366,927
Excess (deficiency of) revenue over expenditures	23,488	-	295	(107,632)	(83,849)
Net acquisitions (disposals) of capital assets	(4,635)	4,635	-	-	-
Amortization of capital assets	24,994	(24,994)	-	-	-
Interfund transfers (Note 12)	(110,552)	-	2,920	107,632	-
<b>Balance, end of year</b>	<b><u>\$ 1,775,720</u></b>	<b><u>\$ 486,792</u></b>	<b><u>\$ 20,566</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,283,078</u></b>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2015**

	Operating Fund	Capital Fund	2015 Total	2014 Total
<b>OPERATING ACTIVITIES</b>				
Excess (deficiency of) revenue over expenditures	\$ 226,429	\$ 23,260	\$ 249,689	\$ (83,849)
Expenditures not requiring a cash outlay:				
Amortization	-	21,997	21,997	24,994
Accrued interest on investments		(248)	(248)	(92)
Gain on sale of capital assets	-	(532)	(532)	-
	<u>226,429</u>	<u>44,477</u>	<u>270,906</u>	<u>(58,947)</u>
(Increase) decrease in accounts receivable	(45,988)	7,776	(38,212)	(59,486)
(Increase) decrease in prepaid expenditures	6,758	-	6,758	(5,247)
Increase (decrease) in accounts payable and accrued liabilities	198,501	(2,404)	196,097	224,296
Increase (decrease) in government advances	(41,208)	-	(41,208)	(34,284)
Increase (decrease) in unearned revenue	(3,134)	-	(3,134)	(20,377)
	<u>114,929</u>	<u>5,372</u>	<u>120,301</u>	<u>104,902</u>
Net cash provided by (used for) operating activities	<u>341,358</u>	<u>49,849</u>	<u>391,207</u>	<u>45,955</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of investment	-	(470,705)	(470,705)	(464,765)
Proceeds of disposition of investment	-	464,765	464,765	457,897
Purchase of capital assets	-	-	-	(4,635)
Proceeds on sale of capital assets	-	1,000	1,000	-
Net cash provided by (used for) investing activities	<u>-</u>	<u>(4,940)</u>	<u>(4,940)</u>	<u>(11,503)</u>
<b>FINANCING ACTIVITIES</b>				
Interfund transfers	(346)	346	-	-
Net cash provided by (used for) financing activities	<u>(346)</u>	<u>346</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	341,012	45,255	386,267	34,452
<b>Cash, beginning of year</b>	<u>669,816</u>	<u>1,455,593</u>	<u>2,125,409</u>	<u>2,090,957</u>
<b>Cash, end of year</b>	<u>\$ 1,010,828</u>	<u>\$ 1,500,848</u>	<u>\$ 2,511,676</u>	<u>\$ 2,125,409</u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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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.



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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**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 (formerly the Property and Equipment Fund)
- (ii) Ontario Ministry of Community and Social Services Capital Reserve Fund - Dedicated Housing Support

The CLH Reserve Fund (formerly the Property and Equipment Fund) accounts for the organization's capital assets and unrestricted reserves. Unrestricted 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 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, 2015**

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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, accounts receivable and inter-fund receivables (payables).

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 the write down is recognized in excess (deficiency of) revenue over expenditures. The 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 in excess (deficiency of) revenue over expenditures.

**(iii) Transaction Costs**

The organization recognizes its transaction costs in excess (deficiency of) revenue over expenditures 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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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**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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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

**(g) Revenue Recognition**

The organization follows the restricted fund method in which externally restricted contributions (grants and donations) are recognized upon receipt in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized in the Operating Fund.

Restricted and unrestricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Contributions are recognized as revenue when 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.

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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

**2. CASH**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2015 Total</b>	<b>2014 Total</b>
Cash on hand	\$ 7,060	\$ -	\$ 7,060	\$ 8,519
Bank of Montreal accounts	1,003,768	1,386,390	2,390,158	2,003,819
Meridian Credit Union accounts	-	114,458	114,458	113,071
	<u>\$ 1,010,828</u>	<u>\$ 1,500,848</u>	<u>\$ 2,511,676</u>	<u>\$ 2,125,409</u>

Interest is earned on the Bank of Montreal accounts at bank prime (2014 - bank prime less 2.125%) and on the Meridian Credit Union accounts at an average rate of 1.40% (2014 - 1.35%).

**3. INVESTMENT**

The investment consists of a Guaranteed Investment Certificate (GIC), maturing May 25, 2015 (2014 - May 25, 2014). The fair value of the GIC includes accrued interest of approximately \$5,622 as at March 31, 2015 (2014 - \$5,940). The GIC has an average effective rate of interest of 1.40% (2014 - 1.40%).

**4. ACCOUNTS RECEIVABLE**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Trade receivables	\$ 198,417	\$ 246,832	\$ (7,760)	\$ 16
Government remittances receivable	138,299	41,098	-	-
Government grants	1,703	4,501	-	-
	<u>\$ 338,419</u>	<u>\$ 292,431</u>	<u>\$ (7,760)</u>	<u>\$ 16</u>

**5. CAPITAL ASSETS**

	<b>2015</b>		<b>2014</b>	
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net</b>	<b>Net</b>
<b>CLH Reserve Fund (formerly the Property and Equipment Fund)</b>				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,921	1,247,829	592,092	625,900
Parking lots	33,381	13,612	19,769	20,592
Motor vehicles	108,327	100,754	7,573	11,283
Furniture and equipment	290,725	282,057	8,668	10,835
	<u>\$ 2,401,193</u>	<u>\$ 1,644,252</u>	<u>\$ 756,941</u>	<u>\$ 797,449</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>Operating Fund</u>		<u>Capital Fund</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounts payable	\$ 244,258	\$ 351,178	\$ 3,411	\$ 5,815
Government remittances payable	89,578	175,151	-	-
Accrued liabilities	644,999	254,005	-	-
	<u>\$ 978,835</u>	<u>\$ 780,334</u>	<u>\$ 3,411</u>	<u>\$ 5,815</u>

**7. GOVERNMENT ADVANCES**

	<u>2015</u>	<u>2014</u>
<b>Ministry of Community and Social Services</b>		
ASD Respite Services	\$ 28,484	\$ 37,405
Family Home Program	64	26,029
Family Support Program	74,243	60,218
Employment Supports - DS	2,144	70
Employment Supports - ODSP	-	1,388
Life Skills	5,690	-
Special Services at Home	-	6,772
Supported Independent Living Program	2,365	10,660
Passports	-	48,128
Other	(4)	-
Repairs and maintenance	3,917	-
	<u>116,903</u>	<u>190,670</u>
<b>City of Hamilton</b>		
Integration Resources Hub Program	126,227	112,279
<b>Government of Canada</b>		
Taking Aim Program	18,612	-
	<u>\$ 261,742</u>	<u>\$ 302,949</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

**8. MORTGAGES PAYABLE**

	<u>2015</u>	<u>2014</u>
Mortgage payable, bearing interest at 2.110% (2014 - 2.110%), repayable in blended monthly installments of \$1,005 (2014 - \$1,005), secured by the Appleford land and building, maturing January 1, 2019 (2014 - January 1, 2018)	\$ 141,680	\$ 150,663
Mortgage payable, bearing interest at 2.740% (2014 - 2.740%), repayable in blended monthly installments of \$1,109 (2014 - \$1,109), secured by the Kensington land and building, maturing October 1, 2018 (2014 - October 1, 2018)	<u>150,933</u>	<u>159,994</u>
	<u>292,613</u>	<u>310,657</u>
Principal payments due within one year	<u>18,450</u>	<u>18,008</u>
	<u>\$ 274,163</u>	<u>\$ 292,649</u>

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

2016	-	\$ 18,450
2017	-	\$ 18,903
2018	-	\$ 19,367
2019	-	\$ 235,893

Interest in the amount of \$7,326 (2014 - \$10,118) 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 (2014 - \$800,000) limit of which \$800,000 (2014 - \$800,000) remained unused at March 31, 2015. Interest is calculated at bank prime per annum and is payable monthly. The credit line is secured by a general security agreement.

**10. CITY OF HAMILTON**

	<u>2015</u>	<u>2014</u>
Integration Resources Hub funding received	\$ 4,130,992	\$ 4,142,319
Payments to Hub Partners	<u>3,215,172</u>	<u>3,215,360</u>
	<u>\$ 915,820</u>	<u>\$ 926,959</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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**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 \$157,968 (2014 - \$164,772).

**12. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS**

The amount of \$(2,920) was transferred from the Capital Fund to the Operating Fund (2014 - \$107,632) in order to fund expenditures for core operations. The Board of Directors has internally restricted net assets invested in capital assets of \$464,328 (2014 - \$486,792). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

**13. NET ASSETS - CAPITAL FUND**

	<u>2015</u>	<u>2014</u>
<b>Internally restricted net assets</b>		
CLH Reserve Fund (formerly the Property and Equipment Fund)	\$ 1,821,248	\$ 1,775,720
<b>Internally restricted net assets invested in capital assets</b> <i>(Note 14)</i>	464,328	486,792
<b>Externally restricted net assets</b>		
Ontario Ministry of Community and Social Services Capital Reserve Fund	<u>23,682</u>	<u>20,566</u>
	<u>\$ 2,309,258</u>	<u>\$ 2,283,078</u>



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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

	<u>2015</u>	<u>2014</u>
Capital assets, net	\$ 756,941	\$ 797,449
Mortgages payable	<u>(292,613)</u>	<u>(310,657)</u>
	<u>\$ 464,328</u>	<u>\$ 486,792</u>

**15. COMMITMENTS**

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

2016	-	\$ 106,211
2017	-	\$ 65,673
2018	-	\$ 39,654
2019	-	\$ 39,654
2020	-	\$ 16,640

**16. 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, 2015.

**(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. The market risk associated with the investment held is reduced to a minimum since this asset is invested in a guaranteed investment certificate.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2015**

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**16. FINANCIAL INSTRUMENTS (Continued)**

**(c) Interest Rate Risk**

The organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2014 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 change 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, 2015**

	<u>Internally Restricted Net Assets</u>	<u>Externally Restricted Net Assets</u>	<b>2015 Total Capital Fund</b>	<b>2014 Total Capital Fund</b>
	<b>CLH Reserve Fund (formerly the Property and Equipment Fund)</b>	<b>Ontario M.C.S.S. Capital Reserve Fund</b>		
<b>Revenue</b>				
Investment revenue	\$ 31,812	\$ 196	\$ 32,008	\$ 33,278
Donations, fundraising and other revenue	<u>25,796</u>	<u>-</u>	<u>25,796</u>	<u>25,458</u>
	<u>57,608</u>	<u>196</u>	<u>57,804</u>	<u>58,736</u>
<b>Expenditures</b>				
Other service costs	11,349	-	11,349	4,415
Amortization	21,997	-	21,997	24,994
Employee recognition	<u>1,198</u>	<u>-</u>	<u>1,198</u>	<u>5,544</u>
	<u>34,544</u>	<u>-</u>	<u>34,544</u>	<u>34,953</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	<b>23,064</b>	<b>196</b>	<b>23,260</b>	<b>23,783</b>
<b>Net assets, beginning of year</b>	<b>2,262,512</b>	<b>20,566</b>	<b>2,283,078</b>	<b>2,366,927</b>
Inter-fund transfers	<u>-</u>	<u>2,920</u>	<u>2,920</u>	<u>(107,632)</u>
<b>Net assets, end of year</b>	<b><u>\$ 2,285,576</u></b>	<b><u>\$ 23,682</u></b>	<b><u>\$ 2,309,258</u></b>	<b><u>\$ 2,283,078</u></b>

**COMMUNITY LIVING HAMILTON**  
**Schedule to the Statement of Operations - Operating Fund**  
**Year Ended March 31, 2015**

	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	\$ -	\$ 9,365,849	\$ 215,650	\$ -	\$ -	\$ 9,581,499
Ministry of Children and Youth Services	-	139,027	-	-	-	139,027
City of Hamilton	-	-	-	-	915,820	915,820
Federal government	-	-	-	-	168,455	168,455
United Way	-	-	-	-	52,013	52,013
Other	-	-	-	68,303	7,428	75,731
	<u>-</u>	<u>9,504,876</u>	<u>215,650</u>	<u>68,303</u>	<u>1,143,716</u>	<u>10,932,545</u>
<b>Association Generated</b>						
Contract sales	-	100,370	-	-	969,324	1,069,694
Cafeteria sales	-	3,150	-	-	-	3,150
Accommodation charges	-	407,954	-	-	-	407,954
Rental revenue	-	62,400	-	13,992	-	76,392
Program fees	17,785	35,312	-	-	456,291	509,388
Other	8,928	7,396	-	-	508	16,832
	<u>26,713</u>	<u>616,582</u>	<u>-</u>	<u>13,992</u>	<u>1,426,123</u>	<u>2,083,410</u>
	<u>26,713</u>	<u>10,121,458</u>	<u>215,650</u>	<u>82,295</u>	<u>2,569,839</u>	<u>13,015,955</u>
<b>EXPENDITURES</b>						
Staff salaries	553,376	6,652,413	90,125	7,992	1,279,027	8,582,933
Employee benefits	95,485	1,097,790	21,687	936	163,311	1,379,209
Staff travel and training	9,780	55,548	1,552	-	13,687	80,567
Training allowances	-	141,394	487	-	-	141,881
Purchased services	158,216	406,426	9,175	2,740	519,499	1,096,056
Supplies	56,358	86,326	1,937	-	38,896	183,517
Food costs	3,610	161,990	90	-	5,626	171,316
Premises rent, other rentals and insurance	76,961	254,875	2,485	2,354	16,360	353,035
Utilities and taxes	3,262	159,027	264	10,796	37,954	211,303
Repairs and maintenance	777	169,371	-	12,151	41,760	224,059
New equipment and replacements	15,861	68,178	260	12,836	25,974	123,109
Advertising and promotion	-	-	1,182	-	-	1,182
Vehicle operations	14	50,393	-	-	1,246	51,653
Other service costs	19,788	10,528	15,711	4,199	5,807	56,033
Bad debt	68,257	7,681	-	-	32,364	108,302
Mortgage payments	-	-	-	25,371	-	25,371
Centrally allocated administration	(1,035,032)	815,205	63,588	-	156,239	-
	<u>26,713</u>	<u>10,137,145</u>	<u>208,543</u>	<u>79,375</u>	<u>2,337,750</u>	<u>12,789,526</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>						
	-	(15,687)	7,107	2,920	232,089	226,429
Transfer to MCSS Capital Reserve Fund	-	-	-	(2,920)	-	(2,920)
<b>Program surplus (deficiency)</b>	<u>\$ -</u>	<u>\$ (15,687)</u>	<u>\$ 7,107</u>	<u>\$ -</u>	<u>\$ 232,089</u>	<u>\$ 223,509</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Funded Services**  
**Year Ended March 31, 2015**

	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	\$ 3,349,365	\$ 60,307	\$ 337,691	\$ 3,871,199	\$ 695,843	\$ 288,933	\$ 8,603,338
<b>Association Generated</b>							
Contract sales	-	-	-	66,290	-	-	66,290
Cafeteria sales	-	-	-	3,150	-	-	3,150
Accommodation charges	407,954	-	-	-	-	-	407,954
Rental revenue	62,400	-	-	-	-	-	62,400
Program fees	-	-	-	9,034	12,878	700	22,612
Other	6,203	-	-	1,178	15	-	7,396
	<u>476,557</u>	<u>-</u>	<u>-</u>	<u>79,652</u>	<u>12,893</u>	<u>700</u>	<u>569,802</u>
	<u>3,825,922</u>	<u>60,307</u>	<u>337,691</u>	<u>3,950,851</u>	<u>708,736</u>	<u>289,633</u>	<u>9,173,140</u>
<b>EXPENDITURES</b>							
Staff salaries	2,642,823	29,960	250,365	2,613,291	479,371	144,150	6,159,960
Employee benefits	381,449	4,155	45,947	495,703	66,946	22,207	1,016,407
Staff travel and training	9,028	-	10,090	21,421	5,152	2,001	47,692
Training allowances and benefits	-	-	-	87,434	-	-	87,434
Purchased services	83,197	16,991	265	84,071	(29,568)	131,094	286,050
Supplies	36,851	63	119	37,737	9,657	-	84,427
Food costs	128,040	-	-	12,409	6,701	-	147,150
Premises rent, other rentals and insurance	129,664	-	-	77,771	-	-	207,435
Utilities and taxes	44,984	-	2,118	87,147	11,234	-	145,483
Repairs and maintenance	30,085	-	-	25,141	50,673	-	105,899
New equipment and replacements	12,986	-	2,461	27,740	24,486	417	68,090
Vehicle operations	6,239	-	150	41,060	2,944	-	50,393
Other service costs	2,557	702	1,000	960	3,748	-	8,967
Bad debts	-	-	-	213	7,468	-	7,681
Centrally allocated administration	318,019	8,436	25,176	338,751	69,924	-	760,306
	<u>3,825,922</u>	<u>60,307</u>	<u>337,691</u>	<u>3,950,849</u>	<u>708,736</u>	<u>299,869</u>	<u>9,183,374</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ (10,236)	\$ (10,234)

**COMMUNITY LIVING HAMILTON  
Schedule of Ministry of Community and Social Services Funded Services (Continued)  
Year Ended March 31, 2015**

	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	\$ 8,603,338	\$ -	\$ 588,336	\$ 63,096	\$ 111,079	\$ 9,365,849
Ministry of Children and Youth Services	-	139,027	-	-	-	139,027
	<u>8,603,338</u>	<u>139,027</u>	<u>588,336</u>	<u>63,096</u>	<u>111,079</u>	<u>9,504,876</u>
<b>Association Generated</b>						
Contract sales	66,290	-	34,080	-	-	100,370
Cafeteria sales	3,150	-	-	-	-	3,150
Accommodation charges	407,954	-	-	-	-	407,954
Rental revenue	62,400	-	-	-	-	62,400
Program fees	22,612	-	-	-	12,700	35,312
Other	7,396	-	-	-	-	7,396
	<u>569,802</u>	<u>-</u>	<u>34,080</u>	<u>-</u>	<u>12,700</u>	<u>616,582</u>
	<u>9,173,140</u>	<u>139,027</u>	<u>622,416</u>	<u>63,096</u>	<u>123,779</u>	<u>10,121,458</u>
<b>EXPENDITURES</b>						
Staff salaries	6,159,960	-	416,751	-	75,702	6,652,413
Employee benefits	1,016,407	-	75,048	-	6,335	1,097,790
Staff travel and training	47,692	327	7,336	-	193	55,548
Training allowances and benefits	87,434	-	53,960	-	-	141,394
Purchased services	286,050	110,493	4,592	-	5,291	406,426
Supplies	84,427	-	699	-	1,200	86,326
Food costs	147,150	10,507	859	-	3,474	161,990
Premises rent, other rentals and insurance	207,435	1,900	23,240	-	22,300	254,875
Utilities and taxes	145,483	500	7,434	-	5,610	159,027
Repairs and maintenance	105,899	-	-	63,096	376	169,371
New equipment and replacements	68,090	-	-	-	88	68,178
Vehicle operations	50,393	-	-	-	-	50,393
Other service costs	8,967	-	1,561	-	-	10,528
Bad debts	7,681	-	-	-	-	7,681
Centrally allocated administration	760,306	15,300	30,936	-	8,663	815,205
	<u>9,183,374</u>	<u>139,027</u>	<u>622,416</u>	<u>63,096</u>	<u>129,232</u>	<u>10,137,145</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	\$ (10,234)	\$ -	\$ -	\$ -	\$ (5,453)	\$ (15,687)

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Employment Support**  
**Year Ended March 31, 2015**

	<b>Job Placement</b>	<b>Job Retention and Advancement</b>	<b>Exceptional Work-Related Disability Supports</b>	<b>Job Maintenance</b>	<b>Total</b>
<b>REVENUE</b>					
<b>Grants and Subsidies</b>					
Ministry of Community and Social Services	<u>\$ 84,000</u>	<u>\$ 74,000</u>	<u>\$ 8,000</u>	<u>\$ 49,650</u>	<u>\$ 215,650</u>
<b>EXPENDITURES</b>					
Staff salaries	35,106	30,926	3,343	20,750	90,125
Employee benefits	8,447	7,442	805	4,993	21,687
Staff travel	604	533	58	357	1,552
Staff training	190	167	18	112	487
Purchased services	3,575	3,148	340	2,112	9,175
Supplies	754	665	72	446	1,937
Food costs	35	31	3	21	90
Premises rent, other rentals and insurance	968	853	92	572	2,485
Utilities and taxes	102	91	10	61	264
New equipment and replacements	101	89	10	60	260
Advertising and promotion	461	405	44	272	1,182
Other service costs	6,120	5,391	583	3,617	15,711
Centrally allocated administration	<u>24,769</u>	<u>21,820</u>	<u>2,359</u>	<u>14,640</u>	<u>63,588</u>
	<u>81,232</u>	<u>71,561</u>	<u>7,737</u>	<u>48,013</u>	<u>208,543</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>					
	<u>\$ 2,768</u>	<u>\$ 2,439</u>	<u>\$ 263</u>	<u>\$ 1,637</u>	<u>\$ 7,107</u>