

PLEASE SIGN AND RETURN TO  
HOECHT GALVIN KAI

**COMMUNITY LIVING HAMILTON  
HAMILTON, ONTARIO  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2014**

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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, 2014 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 and we were not able to determine whether any adjustments might be necessary to revenue, excess revenue over expenditures, net assets and fund balances.

**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, 2014 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.

**HAMILTON, ONTARIO**

**June 18, 2014**



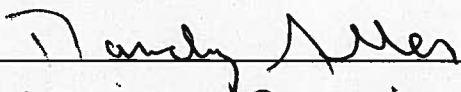
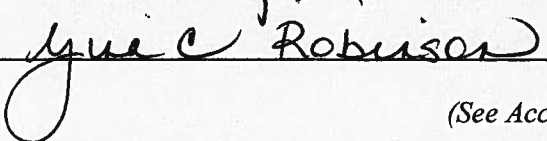
**HOECHT GALVIN KAI**  
**Chartered Accountants**  
**Licensed Public Accountants**

**COMMUNITY LIVING HAMILTON**  
**Statement of Financial Position**  
**As at March 31, 2014**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2014 Total</b>	<b>2013 Total</b>
<b>ASSETS</b>				
<b>Current</b>				
Cash (Note 2)	\$ 669,816	\$ 1,455,593	\$ 2,125,409	\$ 2,090,957
Investment (Note 3)	-	470,705	470,705	463,745
Accounts receivable (Note 4)	291,985	462	292,447	232,961
Inter-fund receivables (payables)	124,659	(124,659)	-	-
Prepaid expenditures	<u>16,222</u>	<u>-</u>	<u>16,222</u>	<u>10,975</u>
	1,102,682	1,802,101	2,904,783	2,798,638
Capital assets (Note 5)	<u>-</u>	<u>797,449</u>	<u>797,449</u>	<u>834,409</u>
	<u>\$ 1,102,682</u>	<u>\$ 2,599,550</u>	<u>\$ 3,702,232</u>	<u>\$ 3,633,047</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities (Note 6)	\$ 780,334	\$ 5,815	\$ 786,149	\$ 561,853
Government advances (Note 7)	302,949	-	302,949	337,233
Unearned revenue	19,399	-	19,399	39,776
Current portion of mortgages payable (Note 8)	<u>-</u>	<u>18,008</u>	<u>18,008</u>	<u>327,258</u>
	1,102,682	23,823	1,126,505	1,266,120
Mortgages payable (Note 8)	<u>-</u>	<u>292,649</u>	<u>292,649</u>	<u>-</u>
	<u>1,102,682</u>	<u>316,472</u>	<u>1,419,154</u>	<u>1,266,120</u>
<b>NET ASSETS (Page 5)</b>				
Internally restricted net assets (Note 13)	-	1,775,720	1,775,720	1,842,425
Internally restricted net assets invested in capital assets (Notes 13 and 14)	-	486,792	486,792	507,151
Externally restricted net assets (Note 13)	-	20,566	20,566	17,351
Unrestricted net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,283,078</u>	<u>2,283,078</u>	<u>2,366,927</u>
	<u>\$ 1,102,682</u>	<u>\$ 2,599,550</u>	<u>\$ 3,702,232</u>	<u>\$ 3,633,047</u>

Commitments (Note 15)

**On behalf of the Board:**

Director

Director

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2014**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2014 Total</b>	<b>2013 Total</b>
<b>Revenue</b>				
<b>Grants and Subsidies</b>				
Provincial government subsidies	\$ 9,589,184	\$ -	\$ 9,589,184	\$ 9,603,799
City of Hamilton (Note 10)	926,959	-	926,959	937,867
Federal government subsidies	119,253	-	119,253	221,949
United Way grant	60,698	-	60,698	63,869
Other grants	55,780	-	55,780	30,884
	<u>10,751,874</u>	<u>-</u>	<u>10,751,874</u>	<u>10,858,368</u>
<b>Association Generated</b>				
Contract sales	849,878	-	849,878	628,917
Cafeteria sales	5,022	-	5,022	3,263
Accommodation charges	409,834	-	409,834	415,461
Rental revenue	124,583	-	124,583	78,622
Program fees	367,443	-	367,443	335,918
Investment revenue	-	33,278	33,278	32,030
Donations, fundraising and other revenue	12,403	25,458	37,861	449,433
	<u>1,769,163</u>	<u>58,736</u>	<u>1,827,899</u>	<u>1,943,644</u>
	<u>12,521,037</u>	<u>58,736</u>	<u>12,579,773</u>	<u>12,802,012</u>
<b>Expenditures</b>				
Staff salaries	8,316,767	-	8,316,767	8,232,098
Employee benefits (Note 11)	1,380,681	-	1,380,681	1,376,976
Staff travel and training	89,615	-	89,615	83,702
Training allowances and benefits	141,288	-	141,288	162,583
Purchased services	1,363,146	-	1,363,146	1,284,640
Supplies	203,682	-	203,682	139,220
Food costs	181,332	-	181,332	161,308
Premises rent, other rentals and insurance	378,521	-	378,521	377,136
Utilities and taxes	213,901	-	213,901	200,983
Repairs and maintenance	117,099	-	117,099	161,134
New equipment and replacements	117,907	-	117,907	49,478
Vehicle operations	56,888	-	56,888	62,341
Other service costs	41,123	4,415	45,538	47,195
Mortgage payments (Note 8)	26,719	-	26,719	27,498
Property administration costs	-	-	-	5,624
Amortization	-	24,994	24,994	26,665
Employee recognition	-	5,544	5,544	5,401
	<u>12,628,669</u>	<u>34,953</u>	<u>12,663,622</u>	<u>12,403,982</u>
<b>EXCESS (DEFICIENCY OF )</b>				
<b>REVENUE OVER EXPENDITURES</b>	<b>\$ (107,632)</b>	<b>\$ 23,783</b>	<b>\$ (83,849)</b>	<b>\$ 398,030</b>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2014**

	<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>2014</u></b>					
<b>Balance, beginning of year</b>	<b>\$ 1,842,425</b>	<b>\$ 507,151</b>	<b>\$ 17,351</b>	<b>\$ -</b>	<b>\$ 2,366,927</b>
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)	<u>(110,552)</u>	<u>-</u>	<u>2,920</u>	<u>107,632</u>	<u>-</u>
<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>
<b><u>2013</u></b>					
Balance, beginning of year	\$ 1,337,103	\$ 617,512	\$ 14,282	\$ -	\$ 1,968,897
Excess revenue over expenditures	383,293	-	149	14,588	398,030
Net acquisitions (disposals) of capital assets	83,696	(83,696)	-	-	-
Amortization of capital assets	26,665	(26,665)	-	-	-
Interfund transfers (Note 12)	<u>11,668</u>	<u>-</u>	<u>2,920</u>	<u>(14,588)</u>	<u>-</u>
<b>Balance, end of year</b>	<b><u>\$ 1,842,425</u></b>	<b><u>\$ 507,151</u></b>	<b><u>\$ 17,351</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 2,366,927</u></b>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2014**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2014 Total</b>	<b>2013 Total</b>
<b>OPERATING ACTIVITIES</b>				
Excess (deficiency of) revenue over expenditures	\$ (107,632)	\$ 23,783	\$ (83,849)	\$ 398,030
Expenditures not requiring a cash outlay:				
Amortization	-	24,994	24,994	26,665
Accrued interest on investments		(92)	(92)	862
Gain on sale of capital assets	-	-	-	(361,485)
	<u>(107,632)</u>	<u>48,685</u>	<u>(58,947)</u>	<u>64,072</u>
 (Increase) decrease in accounts receivable	 (62,398)	 2,912	 (59,486)	 (56,423)
(Increase) decrease in prepaid expenditures	(5,497)	250	(5,247)	7,023
Increase (decrease) in accounts payable and accrued liabilities	221,199	3,097	224,296	(66,120)
Increase (decrease) in government advances	(34,284)	-	(34,284)	15,525
Increase (decrease) in unearned revenue	<u>(20,377)</u>	<u>-</u>	<u>(20,377)</u>	<u>(12,372)</u>
	<u>98,643</u>	<u>6,259</u>	<u>104,902</u>	<u>(112,367)</u>
 Net cash provided by (used for) operating activities	 <u>(8,989)</u>	 <u>54,944</u>	 <u>45,955</u>	 <u>(48,295)</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of investment	-	(464,765)	(464,765)	(457,897)
Proceeds of disposition of investment	-	457,897	457,897	450,000
Purchase of capital assets	-	(4,635)	(4,635)	-
Proceeds on sale of capital assets	-	-	-	445,181
Net cash provided by (used for) investing activities	<u>-</u>	<u>(11,503)</u>	<u>(11,503)</u>	<u>437,284</u>
<b>FINANCING ACTIVITIES</b>				
Interfund transfers	<u>98</u>	<u>(98)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>98</u>	<u>(98)</u>	<u>-</u>	<u>-</u>
 Increase (decrease) in cash	 (8,891)	 43,343	 34,452	 388,989
 Cash, beginning of year	 <u>678,707</u>	 <u>1,412,250</u>	 <u>2,090,957</u>	 <u>1,701,968</u>
 Cash, end of year	 <u>\$ 669,816</u>	 <u>\$ 1,455,593</u>	 <u>\$ 2,125,409</u>	 <u>\$ 2,090,957</u>

(See Accompanying Notes)



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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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, 2014**

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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) Dr. J. Morris Scholarship Fund
- (iii) Ontario Ministry of Community and Social Services Capital Reserve Fund - Dedicated Housing Support
- (iv) Employment Development Fund

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 Dr. J. Morris Scholarship Fund is internally restricted to providing an annual post secondary scholarship to an individual with an intellectual disability. This fund was closed during the year.

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.

The Employment Development Fund is internally restricted to developing, promoting and maintaining initiatives leading to the possible employment of individuals with an intellectual disability. This fund was closed during the year.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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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, 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.

**(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%

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

**(e) Capital Assets (Continued)**

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.

**(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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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

**(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.

**2. CASH**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2014 Total</b>	<b>2013 Total</b>
Cash on hand	\$ 8,519	\$ -	\$ 8,519	\$ 8,390
Bank of Montreal accounts	661,297	1,342,522	2,003,819	1,970,870
Meridian Credit Union accounts	-	113,071	113,071	111,697
	<u>\$ 669,816</u>	<u>\$ 1,455,593</u>	<u>\$ 2,125,409</u>	<u>\$ 2,090,957</u>

Interest is earned on the Bank of Montreal accounts at bank prime less 2.125% (2013 - bank prime less 2.125%) and on the Meridian Credit Union accounts at an average rate of 1.35% (2013 - 1.35%).

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

**3. INVESTMENT**

The investment consists of a Guaranteed Investment Certificate (GIC), maturing May 25, 2014 (2013 - May 25, 2013). The fair value of the GIC includes accrued interest of approximately \$5,940 as at March 31, 2014 (2013 - \$5,852). The GIC has an average effective rate of interest of 1.40% (2013 - 1.50%).

**4. ACCOUNTS RECEIVABLE**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Trade receivables	\$ 246,386	\$ 202,102	\$ 462	\$ 3,374
Government remittances receivable	41,098	22,984	-	-
Government grants	4,501	4,501	-	-
	<u>\$ 291,985</u>	<u>\$ 229,587</u>	<u>\$ 462</u>	<u>\$ 3,374</u>

**5. CAPITAL ASSETS**

	<b>2014</b>		<b>2013</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	1,214,021	625,900	659,092
Parking lots	33,381	12,789	20,592	21,450
Motor vehicles	156,244	144,961	11,283	11,484
Furniture and equipment	290,725	279,890	10,835	13,544
Leasehold improvements	3,545	3,545	-	-
	<u>\$ 2,452,655</u>	<u>\$ 1,655,206</u>	<u>\$ 797,449</u>	<u>\$ 834,409</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Accounts payable	\$ 351,178	\$ 161,831	\$ 5,815	\$ 2,718
Government remittances payable	175,151	20,281	-	-
Accrued liabilities	254,005	377,023	-	-
	<u>\$ 780,334</u>	<u>\$ 559,135</u>	<u>\$ 5,815</u>	<u>\$ 2,718</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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**7. GOVERNMENT ADVANCES**

	<u>2014</u>	<u>2013</u>
<b>Ministry of Community and Social Services</b>		
Adult Accommodation Program	\$ -	\$ 550
ASD Respite Services	37,405	7,793
Family Home Program	26,029	4,659
Family Support Program	60,218	40,494
Employment Supports - DS	70	1,776
Employment Supports - ODSP	1,388	12,811
Healthy Eating Program	-	23,650
Special Services at Home	6,772	50,907
Supported Independent Living Program	10,660	-
Passports	<u>48,128</u>	<u>64,102</u>
	190,670	206,742
<b>City of Hamilton</b>		
Integration Resources Hub Program	112,279	128,430
<b>Government of Canada</b>		
Taking Aim Program	-	2,061
	<u>\$ 302,949</u>	<u>\$ 337,233</u>

**8. MORTGAGES PAYABLE**

	<u>2014</u>	<u>2013</u>
Mortgage payable, bearing interest at 2.110% (2013 - 2.860%), repayable in blended monthly installments of \$1,005 (2013 - \$1,059), secured by the Appleford land and building, maturing December 1, 2018 (2013 - December 1, 2013)	\$ 150,663	\$ 159,069
Mortgage payable, bearing interest at 2.740% (2013 - 4.306%), repayable in blended monthly installments of \$1,109 (2013 - \$1,233), secured by the Kensington land and building, maturing October 1, 2018 (2013 - October 1, 2013)	<u>159,994</u>	<u>168,189</u>
	310,657	327,258
Principal payments due within one year	<u>18,008</u>	327,258
	<u>\$ 292,649</u>	<u>\$ -</u>



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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**8. MORTGAGES PAYABLE (Continued)**

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

2015	-	\$	18,008
2016	-	\$	18,450
2017	-	\$	18,903
2018	-	\$	19,367
2019	-	\$	235,929

Interest in the amount of \$10,118 (2013 - \$10,930) 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 (2013 - \$800,000) limit of which \$800,000 (2013 - \$800,000) remained unused at March 31, 2014. 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>2014</u>	<u>2013</u>
Integration Resources Hub funding received	\$ 4,142,319	\$ 4,103,754
Payments to Hub Partners	<u>3,215,360</u>	<u>3,165,887</u>
	<u>926,959</u>	<u>937,867</u>

**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 \$164,772 (2013 - \$155,622).

**12. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS**

The amount of \$107,632 was transferred from the Capital Fund to the Operating Fund (2013 - \$(14,588)) in order to fund expenditures for core operations. The Board of Directors has internally restricted net assets invested in capital assets of \$486,792 (2013 - \$507,151). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

With the approval of the Board, the Dr. J. Morris Scholarship Fund and the Employment Development Fund have been closed and fund balances transferred to the CLH Reserve Fund (formerly the Property and Equipment Fund).



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2014**

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**13. NET ASSETS**

	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Internally restricted net assets</b>		
CLH Reserve Fund (formerly the Property and Equipment Fund)	\$ 1,775,720	\$ 1,567,945
Dr. J. Morris Scholarship Fund	-	1,572
Employment Development Fund	-	272,908
	<u>1,775,720</u>	<u>1,842,425</u>
 <b>Internally restricted net assets invested in capital assets</b> (Note 14)	 486,792	 507,151
 <b>Externally restricted net assets</b>		
Ontario Ministry of Community and Social Services Capital Reserve Fund	<u>20,566</u>	<u>17,351</u>
	<u><b>\$ 2,283,078</b></u>	<u><b>\$ 2,366,927</b></u>

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

	<u><b>2014</b></u>	<u><b>2013</b></u>
Capital assets, net	\$ 797,449	\$ 834,409
Mortgages payable	<u>(310,657)</u>	<u>(327,258)</u>
	<u><b>\$ 486,792</b></u>	<u><b>\$ 507,151</b></u>

**15. COMMITMENTS**

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

2015	-	\$ 85,687
2016	-	\$ 51,264
2017	-	\$ 44,710
2018	-	\$ 44,710
2019	-	\$ 29,410

**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, 2014.

**(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.

**(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, 2014**

	<u>Internally Restricted Net Assets</u>			<u>Externally Restricted Net Assets</u>	
	CLH Reserve Fund (formerly the Property and Equipment Fund)	Employment Development Fund	Dr. J. Morris Scholarship Fund	Ontario M.C.S.S. Capital Reserve Fund	2013 Total Capital Fund
<b>Revenue</b>					
Investment revenue	\$ 32,968	\$ -	\$ 15	\$ 295	\$ 32,030
Donations, fundraising and other revenue	<u>25,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,238</u>
	<u>58,426</u>	<u>-</u>	<u>15</u>	<u>295</u>	<u>425,268</u>
<b>Expenditures</b>					
Other service costs	4,415	-	-	-	9,760
Amortization	24,994	-	-	-	26,665
Employee recognition	<u>5,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,401</u>
	<u>34,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,826</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	23,473	-	15	295	383,442
<b>Net assets, beginning of year</b>	2,075,096	272,908	1,572	17,351	1,968,897
Inter-fund transfers	<u>163,943</u>	<u>(272,908)</u>	<u>(1,587)</u>	<u>2,920</u>	<u>14,588</u>
<b>Net assets, end of year</b>	<u>\$ 2,262,512</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,566</u>	<u>\$ 2,366,927</u>

***AUDITOR'S REPORT ON ADDITIONAL FINANCIAL INFORMATION***

To the Members of  
Community Living Hamilton

The audited financial statements of Community Living Hamilton and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position or results of operations of the organization. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.



***HAMILTON, ONTARIO***  
***June 18, 2014***

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

**COMMUNITY LIVING HAMILTON**
**Schedule to the Statement of Operations - Operating Fund**
**Year Ended March 31, 2014**

	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	\$ -	\$ 9,214,115	\$ 208,216	\$ 54,017	\$ -	\$ 9,476,348
Ministry of Children and Youth Services	-	112,836	-	-	-	112,836
City of Hamilton	-	-	-	-	926,959	926,959
Federal government	-	8,339	-	-	110,914	119,253
United Way	-	60,698	-	-	-	60,698
Other	-	-	-	-	55,780	55,780
	<u>-</u>	<u>9,395,988</u>	<u>208,216</u>	<u>54,017</u>	<u>1,093,653</u>	<u>10,751,874</u>
<b>Association Generated</b>						
Contract sales	-	333,139	-	-	516,739	849,878
Cafeteria sales	-	5,022	-	-	-	5,022
Accommodation charges	-	409,834	-	-	-	409,834
Rental revenue	-	62,400	-	15,158	47,025	124,583
Program fees	17,657	90,555	-	-	259,231	367,443
Other	6,942	5,434	-	-	27	12,403
	<u>24,599</u>	<u>906,384</u>	<u>-</u>	<u>15,158</u>	<u>823,022</u>	<u>1,769,163</u>
	<u>24,599</u>	<u>10,302,372</u>	<u>208,216</u>	<u>69,175</u>	<u>1,916,675</u>	<u>12,521,037</u>
<b>EXPENDITURES</b>						
Staff salaries	513,256	6,833,745	111,336	5,994	852,436	8,316,767
Employee benefits	88,205	1,146,622	23,954	702	121,198	1,380,681
Staff travel and training	21,372	63,669	1,480	-	3,094	89,615
Training allowances	-	141,288	-	-	-	141,288
Purchased services	242,187	545,854	3,974	2,745	568,386	1,363,146
Supplies	107,518	87,422	825	59	7,858	203,682
Food costs	3,976	148,876	220	-	28,260	181,332
Premises rent, other rentals and insurance	76,460	257,121	6,154	2,160	36,626	378,521
Utilities and taxes	2,124	171,170	381	10,627	29,599	213,901
Repairs and maintenance	8,028	73,497	-	5,759	29,815	117,099
New equipment and replacements	77,400	25,309	-	-	15,198	117,907
Vehicle operations	94	56,719	75	-	-	56,888
Other service costs	25,975	7,791	1,528	4,231	1,598	41,123
Mortgage payments	-	-	-	26,719	-	26,719
Centrally allocated administration	(1,141,996)	908,273	58,289	-	175,434	-
	<u>24,599</u>	<u>10,467,356</u>	<u>208,216</u>	<u>58,996</u>	<u>1,869,502</u>	<u>12,628,669</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>						
	-	(164,984)	-	10,179	47,173	(107,632)
Transfer from Employment Development Fund	-	-	-	-	-	-
Transfer to MCSS Capital Reserve Fund	-	-	-	(2,920)	-	(2,920)
Transfer to CLH Reserve Fund (formerly the Property and Equipment Fund)	-	164,984	-	-	(54,432)	110,552
<b>Program surplus (deficiency)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,259</u>	<u>\$ (7,259)</u>	<u>\$ -</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Funded Services**  
**Year Ended March 31, 2014**

	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	\$ 3,262,314	\$ 58,342	\$ 320,676	\$ 3,826,322	\$ 682,083	\$ 336,214	\$ 8,485,951
Ministry of Children and Youth Services	-	-	-	-	-	-	-
Federal government	-	-	-	8,339	-	-	8,339
United Way	-	-	-	60,698	-	-	60,698
	<u>3,262,314</u>	<u>58,342</u>	<u>320,676</u>	<u>3,895,359</u>	<u>682,083</u>	<u>336,214</u>	<u>8,554,988</u>
<b>Association Generated</b>							
Contract sales	-	-	-	301,393	-	-	301,393
Cafeteria sales	-	-	-	5,022	-	-	5,022
Accommodation charges	409,834	-	-	-	-	-	409,834
Rental revenue	62,400	-	-	-	-	-	62,400
Program fees	-	-	-	14,184	18,250	-	32,434
Other	86	-	-	3,681	-	-	3,767
	<u>472,320</u>	<u>-</u>	<u>-</u>	<u>324,280</u>	<u>18,250</u>	<u>-</u>	<u>814,850</u>
	<u>3,734,634</u>	<u>58,342</u>	<u>320,676</u>	<u>4,219,639</u>	<u>700,333</u>	<u>336,214</u>	<u>9,369,838</u>
<b>EXPENDITURES</b>							
Staff salaries	2,540,190	19,287	230,661	2,838,409	527,653	168,497	6,324,697
Employee benefits	384,936	2,727	43,918	520,414	73,373	24,142	1,049,510
Staff travel and training	14,166	-	9,144	18,513	3,388	1,462	46,673
Training allowances and benefits	-	-	-	83,401	-	-	83,401
Purchased services	170,504	28,460	199	88,450	(6,016)	142,113	423,710
Supplies	34,734	25	416	45,282	5,204	-	85,661
Food costs	118,584	-	-	13,884	6,939	-	139,407
Premises rent, other rentals and insurance	128,363	-	-	108,054	-	-	236,417
Utilities and taxes	42,926	-	3,058	103,431	10,672	-	160,087
Repairs and maintenance	36,110	-	-	32,983	4,283	-	73,376
New equipment and replacements	15,705	-	-	9,082	522	-	25,309
Vehicle operations	5,092	-	-	51,379	23	-	56,644
Other service costs	743	110	52	5,059	195	-	6,159
Centrally allocated administration	326,231	7,733	33,078	382,632	74,097	-	823,771
	<u>3,818,284</u>	<u>58,342</u>	<u>320,676</u>	<u>4,300,973</u>	<u>700,333</u>	<u>336,214</u>	<u>9,534,822</u>
	<u>\$ (83,650)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (81,334)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (164,984)</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>							

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ministry of Community and Social Services Funded Services (Continued)**  
**Year Ended March 31, 2014**

	Sub-Total	Passports	ASD Respite Services	DS Employment Supports	Total
<b>REVENUE</b>					
<b>Grants and Subsidies</b>					
Ministry of Community and Social Services	\$ 8,485,951	\$ 156,873	\$ -	\$ 571,291	\$ 9,214,115
Ministry of Children and Youth Services	-	-	112,836	-	112,836
Federal government	8,339	-	-	-	8,339
United Way	<u>60,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,698</u>
	<u>8,554,988</u>	<u>156,873</u>	<u>112,836</u>	<u>571,291</u>	<u>9,395,988</u>
<b>Association Generated</b>					
Contract sales	301,393	-	-	31,746	333,139
Cafeteria sales	5,022	-	-	-	5,022
Accommodation charges	409,834	-	-	-	409,834
Rental revenue	62,400	-	-	-	62,400
Program fees	32,434	58,121	-	-	90,555
Other	<u>3,767</u>	<u>1,667</u>	<u>-</u>	<u>-</u>	<u>5,434</u>
	<u>814,850</u>	<u>59,788</u>	<u>-</u>	<u>31,746</u>	<u>906,384</u>
	<u>9,369,838</u>	<u>216,661</u>	<u>112,836</u>	<u>603,037</u>	<u>10,302,372</u>
<b>EXPENDITURES</b>					
Staff salaries	6,324,697	131,533	1,112	376,403	6,833,745
Employee benefits	1,049,510	12,210	118	84,784	1,146,622
Staff travel and training	46,673	10,464	10	6,522	63,669
Training allowances and benefits	83,401	-	-	57,887	141,288
Purchased services	423,710	35,348	85,664	1,132	545,854
Supplies	85,661	491	-	1,270	87,422
Food costs	139,407	151	8,507	811	148,876
Premises rent, other rentals and insurance	236,417	-	1,900	18,804	257,121
Utilities and taxes	160,087	-	500	10,583	171,170
Repairs and maintenance	73,376	-	-	121	73,497
New equipment and replacements	25,309	-	-	-	25,309
Vehicle operations	56,644	-	-	75	56,719
Other service costs	6,159	56	-	1,576	7,791
Centrally allocated administration	<u>823,771</u>	<u>26,408</u>	<u>15,025</u>	<u>43,069</u>	<u>908,273</u>
	<u>9,534,822</u>	<u>216,661</u>	<u>112,836</u>	<u>603,037</u>	<u>10,467,356</u>
<b>DEFICIENCY OF REVENUE OVER EXPENDITURES</b>	\$ (164,984)	\$ -	\$ -	\$ -	\$ (164,984)



**COMMUNITY LIVING HAMILTON****Schedule of Ministry of Community and Social Services Employment Support  
Year Ended March 31, 2014**

	<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>\$ 72,000</u>	<u>\$ 74,000</u>	<u>\$ 5,966</u>	<u>\$ 56,250</u>	<u>\$ 208,216</u>
<b>EXPENDITURES</b>					
Staff salaries	38,499	39,569	3,190	30,078	111,336
Employee benefits	8,284	8,513	686	6,471	23,954
Staff travel and training	512	526	42	400	1,480
Purchased services	1,374	1,412	114	1,074	3,974
Supplies	285	293	24	223	825
Food costs	77	78	6	59	220
Premises rent, other rentals and insurance	2,128	2,187	176	1,663	6,154
Utilities and taxes	132	135	11	103	381
Vehicle operations	26	27	2	20	75
Other service costs	528	543	44	413	1,528
Centrally allocated administration	<u>20,155</u>	<u>20,717</u>	<u>1,671</u>	<u>15,746</u>	<u>58,289</u>
	<u>72,000</u>	<u>74,000</u>	<u>5,966</u>	<u>56,250</u>	<u>208,216</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>					
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>