

**COMMUNITY LIVING HAMILTON  
HAMILTON, ONTARIO  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2021**

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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, 2021 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, 2021, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ontario Ministry of Children, Community and Social Services (the Ministry) as disclosed in *Note 1(a)*.

### **Basis for Qualified Opinion**

In common with many charitable organizations, Community Living Hamilton derives revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess (deficiency of) revenue over expenditures, and cash flows from operations for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020 and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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.

*HGK Partners LLP*

**HAMILTON, ONTARIO**  
**June 15, 2021**

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

**COMMUNITY LIVING HAMILTON**  
**Statement of Financial Position**  
**As at March 31, 2021**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>ASSETS</b>				
<b>Current</b>				
Cash (Note 2)	\$ 2,165,918	\$ 1,930,179	\$ 4,096,097	\$ 4,423,420
Investment (Note 3)	-	530,301	530,301	519,791
Accounts receivable (Note 4)	520,289	89	520,378	259,891
Inter-fund receivables (payables)	172,659	(172,659)	-	-
Prepaid expenditures	<u>12,693</u>	<u>-</u>	<u>12,693</u>	<u>71,984</u>
	2,871,559	2,287,910	5,159,469	5,275,086
Capital assets (Note 5)	<u>-</u>	<u>545,686</u>	<u>545,686</u>	<u>581,132</u>
	<u>\$ 2,871,559</u>	<u>\$ 2,833,596</u>	<u>\$ 5,705,155</u>	<u>\$ 5,856,218</u>
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities (Note 6)	\$ 799,283	\$ 16,798	\$ 816,081	\$ 802,056
Government advances (Note 7)	799,891	-	799,891	969,911
Current portion of mortgages payable (Note 8)	<u>-</u>	<u>21,249</u>	<u>21,249</u>	<u>20,697</u>
	1,599,174	38,047	1,637,221	1,792,664
Mortgages payable (Note 8)	<u>-</u>	<u>154,065</u>	<u>154,065</u>	<u>175,333</u>
	<u>1,599,174</u>	<u>192,112</u>	<u>1,791,286</u>	<u>1,967,997</u>
<b>NET ASSETS (Page 6)</b>				
Internally restricted net assets (Note 13)	-	2,228,185	2,228,185	2,164,287
Internally restricted net assets invested in capital assets (Notes 13 and 14)	-	370,372	370,372	385,102
Externally restricted net assets (Note 13)	-	42,927	42,927	38,646
Unrestricted net assets	<u>1,272,385</u>	<u>-</u>	<u>1,272,385</u>	<u>1,300,186</u>
	<u>1,272,385</u>	<u>2,641,484</u>	<u>3,913,869</u>	<u>3,888,221</u>
	<u>\$ 2,871,559</u>	<u>\$ 2,833,596</u>	<u>\$ 5,705,155</u>	<u>\$ 5,856,218</u>

Commitments (Note 15)

**On behalf of the Board:**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Operations**  
**Year Ended March 31, 2021**

	Operating Fund (Page 21)	Capital Fund	2021 Total	2020 Total
<b>Revenue</b>				
<b>Grants and Subsidies</b>				
Provincial government subsidies	\$ 9,713,050	\$ -	\$ 9,713,050	\$ 9,800,237
City of Hamilton	3,376,252	-	3,376,252	3,072,827
Federal government subsidies	21,595	-	21,595	44,069
United Way grant	41,280	-	41,280	41,381
Other grants	56,902	-	56,902	52,182
	<u>13,209,079</u>	<u>-</u>	<u>13,209,079</u>	<u>13,010,696</u>
<b>Association Generated</b>				
Contract sales	365,761	-	365,761	712,513
Cafeteria sales	109	-	109	744
Accommodation charges	449,542	-	449,542	441,741
Rental revenue	164,641	-	164,641	181,481
Program fees	389,920	-	389,920	615,079
Investment revenue	-	35,159	35,159	96,829
Donations, fundraising and other revenue	11,460	141,707	153,167	226,439
	<u>1,381,433</u>	<u>176,866</u>	<u>1,558,299</u>	<u>2,274,826</u>
	<u>14,590,512</u>	<u>176,866</u>	<u>14,767,378</u>	<u>15,285,522</u>
<b>Expenditures</b>				
Staff salaries	9,539,255	-	9,539,255	10,374,579
Employee benefits (Note 10)	1,904,339	-	1,904,339	1,954,625
Staff travel and training	128,809	-	128,809	123,514
Purchased services	1,198,125	10	1,198,135	1,227,512
Supplies	258,310	-	258,310	192,937
Food costs	200,515	-	200,515	200,273
Premises rent, other rentals and insurance (Note 15)	386,563	-	386,563	384,371
Utilities and taxes	250,680	-	250,680	255,682
Repairs and maintenance	447,884	-	447,884	82,521
New equipment and replacements	161,730	-	161,730	147,063
Vehicle operations	52,790	-	52,790	72,336
Other service costs	49,195	92,320	141,515	80,412
Mortgage payments (Note 8)	25,663	-	25,663	25,663
Bad debts	10,174	-	10,174	-
Amortization	-	14,415	14,415	15,972
Employee recognition	-	20,953	20,953	17,648
	<u>14,614,032</u>	<u>127,698</u>	<u>14,741,730</u>	<u>15,155,108</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>				
	<u>\$ (23,520)</u>	<u>\$ 49,168</u>	<u>\$ 25,648</u>	<u>\$ 130,414</u>

(See Accompanying Notes)

**COMMUNITY LIVING HAMILTON**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2021**

	<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>2021</u></b>					
<b>Balance, beginning of year</b>	<b>\$ 2,164,287</b>	<b>\$ 385,102</b>	<b>\$ 38,646</b>	<b>\$ 1,300,186</b>	<b>\$ 3,888,221</b>
Excess (deficiency of) revenue over expenditures	49,168	-	-	(23,520)	25,648
Net acquisitions (disposals) of capital assets	315	(315)	-	-	-
Amortization of capital assets	14,415	(14,415)	-	-	-
Interfund transfers <i>(Note 12)</i>	-	-	4,281	(4,281)	-
<b>Balance, end of year</b>	<b><u>\$ 2,228,185</u></b>	<b><u>\$ 370,372</u></b>	<b><u>\$ 42,927</u></b>	<b><u>\$ 1,272,385</u></b>	<b><u>\$ 3,913,869</u></b>
<b><u>2020</u></b>					
Balance, beginning of year	\$ 2,050,008	\$ 401,074	\$ 35,726	\$ 1,270,999	\$ 3,757,807
Excess revenue over expenditures	98,307	-	-	32,107	130,414
Amortization of capital assets	15,972	(15,972)	-	-	-
Interfund transfers <i>(Note 12)</i>	-	-	2,920	(2,920)	-
Balance, end of year	<u>\$ 2,164,287</u>	<u>\$ 385,102</u>	<u>\$ 38,646</u>	<u>\$ 1,300,186</u>	<u>\$ 3,888,221</u>

*(See Accompanying Notes)*

**COMMUNITY LIVING HAMILTON**  
**Statement of Cash Flows**  
**Year Ended March 31, 2021**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>OPERATING ACTIVITIES</b>				
Excess (deficiency of) revenue over expenditures	\$ (23,520)	\$ 49,168	\$ 25,648	\$ 130,414
Expenditures not requiring a cash outlay:				
Amortization	-	14,415	14,415	15,972
Accrued interest on investments	-	259	259	(201)
Loss on sale of capital assets	-	315	315	-
	<u>(23,520)</u>	<u>64,157</u>	<u>40,637</u>	<u>146,185</u>
(Increase) decrease in accounts receivable	(260,510)	23	(260,487)	(7,597)
(Increase) decrease in prepaid expenditures	53,771	5,520	59,291	(55,644)
Increase (decrease) in accounts payable and accrued liabilities	12,490	1,535	14,025	(256,122)
Increase (decrease) in government advances	(170,020)	-	(170,020)	481,817
	<u>(364,269)</u>	<u>7,078</u>	<u>(357,191)</u>	<u>162,454</u>
Net cash provided by (used for) operating activities	<u>(387,789)</u>	<u>71,235</u>	<u>(316,554)</u>	<u>308,639</u>
<b>INVESTING ACTIVITIES</b>				
Purchase of investment	-	(522,175)	(522,175)	(511,406)
Proceeds of disposition of investment	-	511,406	511,406	500,887
Net cash provided by (used for) investing activities	<u>-</u>	<u>(10,769)</u>	<u>(10,769)</u>	<u>(10,519)</u>
<b>FINANCING ACTIVITIES</b>				
Interfund transfers	(9,042)	9,042	-	-
Net cash provided by (used for) financing activities	<u>(9,042)</u>	<u>9,042</u>	<u>-</u>	<u>-</u>
<b>Increase (decrease) in cash</b>	(396,831)	69,508	(327,323)	298,120
<b>Cash, beginning of year</b>	<u>2,562,749</u>	<u>1,860,671</u>	<u>4,423,420</u>	<u>4,125,300</u>
<b>Cash, end of year</b>	<u>\$ 2,165,918</u>	<u>\$ 1,930,179</u>	<u>\$ 4,096,097</u>	<u>\$ 4,423,420</u>

(See Accompanying Notes)



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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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 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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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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 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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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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 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. Investment revenue includes interest and realized and unrealized gains and losses.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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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%

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.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**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, 2021**

**2. CASH**

	<b>Operating Fund</b>	<b>Capital Fund</b>	<b>2021 Total</b>	<b>2020 Total</b>
<b>Unrestricted</b>				
Cash on hand	\$ 64	\$ -	\$ 64	\$ 119
Equitable Life deposit account	214,036	-	<b>214,036</b>	195,914
Bank of Montreal accounts	<u>1,951,818</u>	<u>-</u>	<u><b>1,951,818</b></u>	<u>2,366,716</u>
	<u>2,165,918</u>	<u>-</u>	<u><b>2,165,918</b></u>	<u>2,562,749</u>
<b>Restricted</b>				
Bank of Montreal accounts	-	1,929,952	<b>1,929,952</b>	1,860,384
Meridian Credit Union accounts	<u>-</u>	<u>227</u>	<u>227</u>	<u>287</u>
	<u>-</u>	<u>1,930,179</u>	<u><b>1,930,179</b></u>	<u>1,860,671</u>
	<u><b>\$ 2,165,918</b></u>	<u><b>\$ 1,930,179</b></u>	<u><b>\$ 4,096,097</b></u>	<u><b>\$ 4,423,420</b></u>

Included in restricted cash of the capital fund is externally restricted cash of \$42,927 (2020 - \$39,797). Interest is earned on the Bank of Montreal accounts at bank prime (2020 - bank prime) and on the Meridian Credit Union accounts at an average rate of 1.00% (2020 - 1.00%).

**3. INVESTMENT**

The investment consists of a Guaranteed Investment Certificate (GIC), maturing June 22, 2022 (2020 - June 21, 2020). The fair value of the GIC includes accrued interest of approximately \$8,125 as at March 31, 2021 (2020 - \$8,386). The GIC has an average effective rate of interest of 2.00% (2020 - 2.10%).

**4. ACCOUNTS RECEIVABLE**

	<b>Operating Fund</b>		<b>Capital Fund</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Trade receivables	\$ 202,907	\$ 190,526	\$ -	\$ -
Harmonized sales tax recoverable	55,960	16,399	89	112
Government grants	<u>261,422</u>	<u>52,854</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 520,289</b></u>	<u><b>\$ 259,779</b></u>	<u><b>\$ 89</b></u>	<u><b>\$ 112</b></u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

**5. CAPITAL ASSETS**

	2021			2020
	Cost	Accumulated Amortization	Net	Net
<b>CLH Reserve Fund</b>				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,921	1,444,461	395,460	427,761
Parking lots	33,381	17,908	15,473	16,118
Motor vehicles	56,725	53,083	3,642	5,574
Furniture and equipment	290,725	288,453	2,272	2,840
	<u>\$ 2,349,591</u>	<u>\$ 1,803,905</u>	<u>\$ 545,686</u>	<u>\$ 581,132</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	Operating Fund		Capital Fund	
	2021	2020	2021	2020
Accounts payable	\$ 79,935	\$ 111,736	\$ 16,798	\$ 15,263
Government remittances payable	126,377	138,896	-	-
Accrued liabilities	592,971	536,161	-	-
	<u>\$ 799,283</u>	<u>\$ 786,793</u>	<u>\$ 16,798</u>	<u>\$ 15,263</u>

**7. GOVERNMENT ADVANCES**

	2021	2020
<b>Ontario Ministry of Children, Community and Social Services</b>		
Dedicated Housing Support	\$ 5,341	\$ 6,399
Residential Services	-	57,687
Family Home Program	5,545	5,545
Family Support Program	298,677	34,412
Dedicated Housing Support Infrastructure	10,286	10,286
Employment Supports - DS	58,836	58,836
Employment Supports - ODSP	62,051	-
Community Participation Services	114,413	123,204
Community Support/Development	53,883	-
Special Services at Home	3,204	-
Supported Independent Living Program	25,292	23,295
Pandemic Pay	38,805	-
Partner Facility Renewal	2,054	2,054
	<u>678,387</u>	<u>321,718</u>
<b>City of Hamilton</b>		
Integration Resources Hub Program	-	61,327
Special Needs Program	121,504	586,866
	<u>\$ 799,891</u>	<u>\$ 969,911</u>

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**8. MORTGAGES PAYABLE**

	<u>2021</u>	<u>2020</u>
Mortgage payable, bearing interest at 3.105%, repayable in blended monthly installments of \$1,128, secured by the Kensington building with a net book value of \$91,433 (2020 - \$101,973), maturing October 1, 2023	\$ 91,433	\$ 101,973
Mortgage payable, bearing interest at 2.220%, repayable in blended monthly installments of \$1,010, secured by the Appleford building with a net book value of \$83,881 (2020 - \$94,057), maturing January 1, 2024	<u>83,881</u>	<u>94,057</u>
	<b>175,314</b>	<b>196,030</b>
Principal payments due within one year	<u>21,249</u>	<u>20,697</u>
	<u><b>\$ 154,065</b></u>	<u><b>\$ 175,333</b></u>

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

2022	-	\$ 21,249
2023	-	\$ 21,821
2024	-	\$ 132,244

Interest in the amount of \$5,123 (2020 - \$5,498) 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 (2020 - \$800,000) limit of which \$800,000 (2020 - \$800,000) remained unused at March 31, 2021. Interest is calculated at bank prime per annum and is payable monthly. The credit line is secured by a general security agreement.

**10. EMPLOYEE BENEFIT PLAN**

Community Living Hamilton participates in a defined contribution pension plan with eligible employees. Community Living Hamilton matches contributions at 4% of individual employee gross earnings. A financial institution administers the pension assets. During the year, Community Living Hamilton incurred pension expenditures totalling \$211,826 (2020 - \$226,931).



**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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

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

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.

During the year the Organization was notified that undistributed income in the amount of \$5,161 (2020 - \$5,149) was earned during the fiscal year ended March 31, 2020. A balance of \$Nil (2020 - \$Nil) was requested to be transferred to the Organization leaving a balance of \$10,310 (2020 - \$5,149) available for distribution and cumulative undistributed income of \$10,310 (2020 - \$5,149).

**12. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS**

The amount of \$4,281 (2020 - \$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 \$370,372 (2020 - \$385,102). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**13. NET ASSETS - CAPITAL FUND**

	<u>2021</u>	<u>2020</u>
<b>Internally restricted net assets</b>		
CLH Reserve Fund	\$ 2,210,070	\$ 2,146,172
Community Respite Centre Fund	<u>18,115</u>	<u>18,115</u>
	<u>2,228,185</u>	<u>2,164,287</u>
<b>Internally restricted net assets invested in capital assets (Note 14)</b>	<b>370,372</b>	<b>385,102</b>
<b>Externally restricted net assets</b>		
Ontario Ministry of Children, Community and Social Services Capital Reserve Fund	<u>42,927</u>	<u>38,646</u>
	<u>\$ 2,641,484</u>	<u>\$ 2,588,035</u>

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

	<u>2021</u>	<u>2020</u>
Capital assets, net	\$ 545,686	\$ 581,132
Mortgages payable	<u>(175,314)</u>	<u>(196,030)</u>
	<u>\$ 370,372</u>	<u>\$ 385,102</u>

**15. COMMITMENTS**

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

2022	-	\$ 78,535
2023	-	\$ 75,436
2024	-	\$ 34,002

**16. ECONOMIC DEPENDENCE**

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

**COMMUNITY LIVING HAMILTON**  
**Notes to Financial Statements**  
**Year Ended March 31, 2021**

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**17. FINANCIAL INSTRUMENTS**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2021.

**(a) Credit Risk**

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

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

**(b) Market Risk**

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

**(c) Interest Rate Risk**

The Organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2021 the Organization had a fixed interest GIC as described in *Note 3* and fixed interest mortgages as described in *Note 8*. Fixed rate instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. Fluctuations in interest rates will impact the cost of financing incurred currently and in the future.

**(d) Liquidity Risk**

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

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

**18. IMPACT OF COVID-19**

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

**COMMUNITY LIVING HAMILTON**  
**Schedule to the Statement of Operations - Capital Fund**  
**Year Ended March 31, 2021**

	<u>Internally Restricted Net Assets</u>		<u>Externally Restricted Net Assets</u>	2021	2020
	CLH Reserve Fund	Community Respite Centre Fund	Ontario M.C.C.S.S. Capital Reserve Fund	Total Capital Fund	Total Capital Fund
<b>Revenue</b>					
Investment revenue	\$ 35,159	\$ -	\$ -	\$ 35,159	\$ 96,829
Donations, fundraising and other revenue	<u>141,707</u>	<u>-</u>	<u>-</u>	<u>141,707</u>	<u>63,169</u>
	<u>176,866</u>	<u>-</u>	<u>-</u>	<u>176,866</u>	<u>159,998</u>
<b>Expenditures</b>					
Purchased services	10	-	-	10	-
Other service costs	92,320	-	-	92,320	28,071
Amortization	14,415	-	-	14,415	15,972
Employee recognition	<u>20,953</u>	<u>-</u>	<u>-</u>	<u>20,953</u>	<u>17,648</u>
	<u>127,698</u>	<u>-</u>	<u>-</u>	<u>127,698</u>	<u>61,691</u>
<b>EXCESS REVENUE OVER EXPENDITURES</b>	49,168	-	-	49,168	98,307
<b>Net assets, beginning of year</b>	2,146,172	18,115	38,646	2,202,933	2,085,734
Net assets invested in capital assets transfer	14,730	-	-	14,730	15,972
Inter-fund transfers (Note 12)	<u>-</u>	<u>-</u>	<u>4,281</u>	<u>4,281</u>	<u>2,920</u>
<b>Net assets, end of year</b>	<u>\$ 2,210,070</u>	<u>\$ 18,115</u>	<u>\$ 42,927</u>	<u>\$ 2,271,112</u>	<u>\$ 2,202,933</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule to the Statement of Operations - Operating Fund**  
**Year Ended March 31, 2021**

	Centrally Allocated Administration	MCCSS Funded Services (Page 23)	FEDCAP Employment Supports	MCCSS Dedicated Housing Support	Community Support and Development Programs	Total
<b>REVENUE</b>						
<b>Grants and Subsidies</b>						
Ontario Ministry of Children, Community and Social Services	\$ -	\$ 9,598,119	\$ -	\$ -	\$ 114,931	\$ 9,713,050
City of Hamilton	-	-	-	-	3,376,252	3,376,252
Federal government	2,925	18,670	-	-	-	21,595
United Way	-	-	-	-	41,280	41,280
Other	4,720	-	-	52,182	-	56,902
	<u>7,645</u>	<u>9,616,789</u>	<u>-</u>	<u>52,182</u>	<u>3,532,463</u>	<u>13,209,079</u>
<b>Association Generated</b>						
Contract sales	-	-	-	-	365,761	365,761
Cafeteria sales	-	109	-	-	-	109
Accommodation charges	-	449,542	-	-	-	449,542
Rental revenue	-	150,649	-	13,992	-	164,641
Program fees	10,000	19,903	81,449	-	278,568	389,920
Other	9,133	2,327	-	-	-	11,460
	<u>19,133</u>	<u>622,530</u>	<u>81,449</u>	<u>13,992</u>	<u>644,329</u>	<u>1,381,433</u>
	<u>26,778</u>	<u>10,239,319</u>	<u>81,449</u>	<u>66,174</u>	<u>4,176,792</u>	<u>14,590,512</u>
<b>EXPENDITURES</b>						
Staff salaries	822,540	6,295,875	60,678	7,992	2,352,170	9,539,255
Employee benefits	150,130	1,185,699	14,764	936	552,810	1,904,339
Staff travel and training	56,956	42,410	3,058	-	26,385	128,809
Purchased services	460,148	205,039	1,378	3,066	528,494	1,198,125
Supplies	46,205	193,343	-	-	18,762	258,310
Food costs	3,458	197,540	-	-	(483)	200,515
Premises rent, other rentals and insurance (Note 15)	96,386	281,222	780	1,513	6,662	386,563
Utilities and taxes	10,683	156,479	409	14,715	68,394	250,680
Repairs and maintenance	402	185,289	39	2,134	260,020	447,884
New equipment and replacements	31,146	89,570	343	2,573	38,098	161,730
Vehicle operations	2,073	50,708	-	-	9	52,790
Other service costs	19,649	16,347	-	6,486	6,713	49,195
Bad debt	9,424	-	-	-	750	10,174
Mortgage payments (Note 8)	-	-	-	25,663	-	25,663
Centrally allocated administration	(1,532,094)	1,339,798	-	-	192,296	-
	<u>177,106</u>	<u>10,239,319</u>	<u>81,449</u>	<u>65,078</u>	<u>4,051,080</u>	<u>14,614,032</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	(150,328)	-	-	1,096	125,712	(23,520)
Transfer to MCCSS Capital Reserve Fund (Note 12)	-	-	-	(4,281)	-	(4,281)
<b>Program surplus (deficit)</b>	<u>\$ (150,328)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,185)</u>	<u>\$ 125,712</u>	<u>\$ (27,801)</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ontario Ministry of Children, Community and Social Services Funded Services**  
**Year Ended March 31, 2021**

	Group 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>						
Ontario Ministry of Children, Community and Social Services	\$ 3,568,657	\$ 434,432	\$ 3,742,458	\$ 499,955	\$ 125,560	\$ 8,371,062
Federal government	<u>3,568,657</u>	<u>434,432</u>	<u>3,761,128</u>	<u>499,955</u>	<u>125,560</u>	<u>8,389,732</u>
<b>Association Generated</b>						
Cafeteria sales	-	-	109	-	-	109
Accommodation charges	449,542	-	-	-	-	449,542
Rental revenue	150,649	-	-	-	-	150,649
Program fees	-	-	(580)	(225)	-	(805)
Other	884	-	1,443	-	-	2,327
	<u>601,075</u>	<u>434,432</u>	<u>972</u>	<u>(225)</u>	<u>-</u>	<u>601,822</u>
	<u>4,169,732</u>	<u>434,432</u>	<u>3,762,100</u>	<u>499,730</u>	<u>125,560</u>	<u>8,991,554</u>
<b>EXPENDITURES</b>						
Staff salaries	2,898,593	200,542	2,166,871	111,111	98,492	5,475,609
Employee benefits	367,411	43,975	520,608	19,662	24,281	975,937
Staff travel and training	15,599	4,007	12,978	5,831	734	39,149
Purchased services	63,277	8,716	95,482	23,345	655	191,475
Supplies	52,438	257	3,953	11,448	593	68,689
Food costs	196,967	-	95	-	-	197,062
Premises rent, other rentals and insurance (Note 15)	150,066	17,499	42,694	256	-	210,515
Utilities and taxes	70,736	2,651	60,533	10,095	648	144,663
Repairs and maintenance	115,963	-	38,467	26,286	-	180,716
New equipment and replacements	68,660	-	7,651	343	-	76,654
Vehicle operations	3,483	-	46,985	-	-	50,468
Other service costs	5,989	423	7,343	-	157	14,225
Centrally allocated administration	499,612	61,100	557,714	106,990	-	1,225,416
	<u>4,508,794</u>	<u>339,170</u>	<u>3,561,374</u>	<u>315,680</u>	<u>125,560</u>	<u>8,850,578</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	\$ <u>(339,062)</u>	\$ <u>95,262</u>	\$ <u>200,726</u>	\$ <u>184,050</u>	\$ <u>-</u>	\$ <u>140,976</u>

**COMMUNITY LIVING HAMILTON**  
**Schedule of Ontario Ministry of Children, Community and Social Services Funded Services (Continued)**  
**Year Ended March 31, 2021**

	Sub-Total	ASD Respite Services	DS Employment Supports	Pandemic Costs	Adult Respite	Total
<b>REVENUE</b>						
<b>Grants and Subsidies</b>						
Ontario Ministry of Children, Community and Social Services	\$ 8,371,062	\$ 18,243	\$ 545,877	\$ 576,037	\$ 86,900	\$ 9,598,119
Federal government	<u>18,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,670</u>
	<u>8,389,732</u>	<u>18,243</u>	<u>545,877</u>	<u>576,037</u>	<u>86,900</u>	<u>9,616,789</u>
<b>Association Generated</b>						
Cafeteria sales	109	-	-	-	-	109
Accommodation charges	449,542	-	-	-	-	449,542
Rental revenue	150,649	-	-	-	-	150,649
Program fees	(805)	-	-	21,333	(625)	19,903
Other	<u>2,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,327</u>
	<u>601,822</u>	<u>-</u>	<u>-</u>	<u>21,333</u>	<u>(625)</u>	<u>622,530</u>
	<u>8,991,554</u>	<u>18,243</u>	<u>545,877</u>	<u>597,370</u>	<u>86,275</u>	<u>10,239,319</u>
<b>EXPENDITURES</b>						
Staff salaries	5,475,609	-	131,662	685,981	2,623	6,295,875
Employee benefits	975,937	-	43,846	165,730	186	1,185,699
Staff travel and training	39,149	-	3,253	8	-	42,410
Purchased services	191,475	-	8,202	689	4,673	205,039
Supplies	68,689	-	3,223	121,000	431	193,343
Food costs	197,062	-	(80)	558	-	197,540
Premises rent, other rentals and insurance (Note 15)	210,515	-	41,483	1,417	27,807	281,222
Utilities and taxes	144,663	-	1,333	-	10,483	156,479
Repairs and maintenance	180,716	-	90	-	4,483	185,289
New equipment and replacements	76,654	-	-	2,022	10,894	89,570
Vehicle operations	50,468	-	-	240	-	50,708
Other service costs	14,225	-	1,128	994	-	16,347
Centrally allocated administration	<u>1,225,416</u>	<u>18,243</u>	<u>85,711</u>	<u>-</u>	<u>10,428</u>	<u>1,339,798</u>
	<u>8,850,578</u>	<u>18,243</u>	<u>319,851</u>	<u>978,639</u>	<u>72,008</u>	<u>10,239,319</u>
<b>EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES</b>	\$ <u>140,976</u>	\$ <u>-</u>	\$ <u>226,026</u>	\$ <u>(381,269)</u>	\$ <u>14,267</u>	\$ <u>-</u>