

**COMMUNITY LIVING HAMILTON
HAMILTON, ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2022**

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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, 2022 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ontario Ministry of Children, Community and Social Services (the Ministry) as disclosed in *Note 1(a)*.

Basis for Qualified Opinion

In common with many charitable organizations, Community Living Hamilton derives revenue from the general public in the form of donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations or fundraising revenue, excess revenue over expenditures, and cash flows from operations for the years ended March 31, 2022 and March 31, 2021, current assets as at March 31, 2022 and March 31, 2021 and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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

Emphasis of Matter - Basis of Accounting and Restriction on Use

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Community Living Hamilton taken as a whole. The supplementary information included in the schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions as prescribed by an agreement between Community Living Hamilton and the Ontario Ministry of Children, Community and Social Services (the Ministry) as disclosed in *Note 1(a)*, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

HAMILTON, ONTARIO
July 5, 2022

HGK Partners LLP

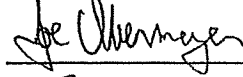
HGK PARTNERS LLP
Chartered Professional Accountants
Licensed Public Accountants

COMMUNITY LIVING HAMILTON
Statement of Financial Position
As at March 31, 2022

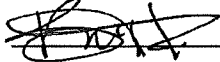
	Operating Fund	Capital Fund	2022 Total	2021 Total
ASSETS				
Current				
Cash (Note 2)	\$ 2,674,769	\$ 1,968,862	\$ 4,643,631	\$ 4,096,097
Short term investment (Note 3)	-	540,907	540,907	530,301
Accounts receivable (Note 4)	343,249	47	343,296	520,378
Inter-fund receivables (payables)	187,515	(187,515)	-	-
Prepaid expenditures	<u>36,854</u>	<u>1,000</u>	<u>37,854</u>	<u>12,693</u>
	<u>3,242,387</u>	<u>2,323,301</u>	<u>5,565,688</u>	<u>5,159,469</u>
Long term investments (Note 5)	-	1,485,518	1,485,518	-
Capital assets (Note 6)	-	<u>511,206</u>	<u>511,206</u>	<u>545,686</u>
	<u>\$ 3,242,387</u>	<u>\$ 4,320,025</u>	<u>\$ 7,562,412</u>	<u>\$ 5,705,155</u>
LIABILITIES				
Current				
Accounts payable and accrued liabilities (Note 7)	\$ 1,435,930	\$ 17,136	\$ 1,453,066	\$ 816,081
Government advances (Note 8)	523,542	-	523,542	799,891
Current portion of mortgages payable (Note 9)	-	<u>21,821</u>	<u>21,821</u>	<u>21,249</u>
	<u>1,959,472</u>	<u>38,957</u>	<u>1,998,429</u>	<u>1,637,221</u>
Mortgages payable (Note 9)	-	<u>132,224</u>	<u>132,224</u>	<u>154,065</u>
	<u>1,959,472</u>	<u>171,181</u>	<u>2,130,653</u>	<u>1,791,286</u>
NET ASSETS (Page 6)				
Internally restricted net assets (Note 14)	-	3,745,836	3,745,836	2,228,185
Internally restricted net assets invested in capital assets (Notes 14 and 15)	-	357,161	357,161	370,372
Externally restricted net assets (Note 14)	-	45,847	45,847	42,927
Unrestricted net assets	<u>1,282,915</u>	<u>-</u>	<u>1,282,915</u>	<u>1,272,385</u>
	<u>1,282,915</u>	<u>4,148,844</u>	<u>5,431,759</u>	<u>3,913,869</u>
	<u>\$ 3,242,387</u>	<u>\$ 4,320,025</u>	<u>\$ 7,562,412</u>	<u>\$ 5,705,155</u>

Commitments (Note 16)

On behalf of the Board:



Director



Director

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Operations
Year Ended March 31, 2022

	Operating Fund (Page 22)	Capital Fund	2022 Total	2021 Total
Revenue				
Grants and Subsidies				
Provincial government subsidies	\$ 10,177,802	\$ -	\$ 10,177,802	\$ 9,713,050
City of Hamilton	3,205,946	-	3,205,946	3,376,252
Federal government subsidies	26,264	-	26,264	21,595
United Way grant	44,872	-	44,872	41,280
Other grants	48,717	-	48,717	56,902
	<u>13,503,601</u>	<u>-</u>	<u>13,503,601</u>	<u>13,209,079</u>
Association Generated				
Contract sales	395,788	-	395,788	365,761
Cafeteria sales	-	-	-	109
Accommodation charges	421,975	-	421,975	449,542
Rental revenue	172,235	-	172,235	164,641
Program fees	460,187	-	460,187	389,920
Investment revenue	-	33,986	33,986	35,159
Donations, fundraising and other revenue	75,996	1,532,122	1,608,118	153,167
	<u>1,526,181</u>	<u>1,566,108</u>	<u>3,092,289</u>	<u>1,558,299</u>
	<u>15,029,782</u>	<u>1,566,108</u>	<u>16,595,890</u>	<u>14,767,378</u>
Expenditures				
Staff salaries	9,357,138	-	9,357,138	9,539,255
Employee benefits (Note 11)	1,906,817	-	1,906,817	1,904,339
Staff travel and training	159,437	-	159,437	128,809
Purchased services	1,284,579	-	1,284,579	1,198,135
Supplies	227,142	-	227,142	258,310
Food costs	178,621	-	178,621	200,515
Premises rent, other rentals and insurance (Note 16)	389,990	-	389,990	386,563
Utilities and taxes	202,417	-	202,417	250,680
Repairs and maintenance	850,002	-	850,002	447,884
New equipment and replacements	296,475	-	296,475	161,730
Vehicle operations	38,418	-	38,418	52,790
Other service costs	98,308	3,479	101,787	141,515
Mortgage payments (Note 9)	25,663	-	25,663	25,663
Bad debts	1,325	-	1,325	10,174
Amortization	-	13,168	13,168	14,415
Employee recognition	-	45,021	45,021	20,953
	<u>15,016,332</u>	<u>61,668</u>	<u>15,078,000</u>	<u>14,741,730</u>
EXCESS REVENUE OVER EXPENDITURES	<u>\$ 13,450</u>	<u>\$ 1,504,440</u>	<u>\$ 1,517,890</u>	<u>\$ 25,648</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Changes in Net Assets
Year Ended March 31, 2022

	Internally Restricted Net Assets	Internally Restricted Net Assets Invested in Capital Assets	Externally Restricted Net Assets	Unrestricted Net Assets	Total
<u>2022</u>					
Balance, beginning of year	\$ 2,228,185	\$ 370,372	\$ 42,927	\$ 1,272,385	\$ 3,913,869
Excess revenue over expenditures	1,504,440	-	-	13,450	1,517,890
Net acquisitions (disposals) of capital assets	43	(43)	-	-	-
Amortization of capital assets	13,168	(13,168)	-	-	-
Interfund transfers (Note 13)	-	-	2,920	(2,920)	-
Balance, end of year	<u>\$ 3,745,836</u>	<u>\$ 357,161</u>	<u>\$ 45,847</u>	<u>\$ 1,282,915</u>	<u>\$ 5,431,759</u>
<u>2021</u>					
Balance, beginning of year	\$ 2,164,287	\$ 385,102	\$ 38,646	\$ 1,300,186	\$ 3,888,221
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 (Note 13)	-	-	4,281	(4,281)	-
Balance, end of year	<u>\$ 2,228,185</u>	<u>\$ 370,372</u>	<u>\$ 42,927</u>	<u>\$ 1,272,385</u>	<u>\$ 3,913,869</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Statement of Cash Flows
Year Ended March 31, 2022

	Operating Fund	Capital Fund	2022 Total	2021 Total
OPERATING ACTIVITIES				
Excess revenue over expenditures	\$ 13,450	\$ 1,504,440	\$ 1,517,890	\$ 25,648
Expenditures not requiring a cash outlay:				
Amortization	-	13,168	13,168	14,415
Accrued interest on short term investments	-	(163)	(163)	259
Donation of investments	-	(817,425)	(817,425)	-
Change in fair value of long term investments	-	56,907	56,907	-
Loss on sale of capital assets	-	43	43	315
	<u>13,450</u>	<u>756,970</u>	<u>770,420</u>	<u>40,637</u>
(Increase) decrease in accounts receivable	177,040	42	177,082	(260,487)
(Increase) decrease in prepaid expenditures	(24,161)	(1,000)	(25,161)	59,291
Increase (decrease) in accounts payable and accrued liabilities	636,647	338	636,985	14,025
Increase (decrease) in government advances	<u>(276,349)</u>	<u>-</u>	<u>(276,349)</u>	<u>(170,020)</u>
	<u>513,177</u>	<u>(620)</u>	<u>512,557</u>	<u>(357,191)</u>
Net cash provided by (used for) operating activities	<u>526,627</u>	<u>756,350</u>	<u>1,282,977</u>	<u>(316,554)</u>
INVESTING ACTIVITIES				
Purchase of short term investment	-	(532,618)	(532,618)	(522,175)
Proceeds of disposition of short term investment	-	522,175	522,175	511,406
Purchase of long term investments	<u>-</u>	<u>(725,000)</u>	<u>(725,000)</u>	<u>-</u>
Net cash provided by (used for) investing activities	<u>-</u>	<u>(735,443)</u>	<u>(735,443)</u>	<u>(10,769)</u>
FINANCING ACTIVITIES				
Interfund transfers	<u>(17,776)</u>	<u>17,776</u>	<u>-</u>	<u>-</u>
Net cash provided by (used for) financing activities	<u>(17,776)</u>	<u>17,776</u>	<u>-</u>	<u>-</u>
Increase (decrease) in cash	508,851	38,683	547,534	(327,323)
Cash, beginning of year	<u>2,165,918</u>	<u>1,930,179</u>	<u>4,096,097</u>	<u>4,423,420</u>
Cash, end of year	<u>\$ 2,674,769</u>	<u>\$ 1,968,862</u>	<u>\$ 4,643,631</u>	<u>\$ 4,096,097</u>

(See Accompanying Notes)

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

DESCRIPTION OF ORGANIZATION

Community Living Hamilton was incorporated in the Province of Ontario on May 8, 1953, as a corporation without share capital and as a registered charity is exempt from the payment of income taxes under the *Income Tax Act (Canada)*.

Community Living Hamilton, an agency supporting individuals with intellectual disabilities, is committed to the advancement of a community which assures that all individuals have equal opportunity to participate and contribute to community life, assures respect for all individuals, assures the right of all individuals to enjoy the benefits and responsibilities of independence and assures the dignity and worth of every individual.

To accomplish this vision, Community Living Hamilton functions in partnership with individuals having intellectual disabilities, families, staff, volunteers, and other individuals and organizations by providing leadership in advocacy, skill development and community education.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements are the representation of management prepared in accordance with accounting policies prescribed by the Ontario Ministry of Children, Community and Social Services (the Ministry). Readers should be cautioned that the basis of accounting used in these financial statements materially differs from Canadian accounting standards for not for profit organizations because:

(i) Capital Assets

The funding model utilized by the Ministry in providing funds to the organization provides for the funding of capital expenditures. Capital expenditures of the Operating Fund, with the exception of land and building, are recorded as Operating Fund expenditures in the year incurred.

In addition, for capital assets funded by the Ministry with mortgages payable for which mortgage payments are funded by the Ministry, amortization is reported in an amount equal to the principal payments on the mortgage.

(ii) Accrued Liabilities

The modified accrual accounting method requires the inclusion of short term accruals of revenue and normal operating expenditures in the determination of operating results for a given time period. Short term accruals are defined as payable or receivable within 30 days of the budget year end.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of Accounting (Continued)

(iii) Vacation Pay Accrual

The Ministry funding model accounts for vacation pay on a cash basis. As a result, a vacation pay accrual is not recorded in these financial statements.

(iv) Long Term Debt

Principal repayments for non-forgivable loans made during the year, as well as interest costs incurred, are accounted for as an operating expenditure in the year rather than expensing only interest. The amount of principal repaid during the year is also charged to reduce the carrying value of the debt, and is added to fund balances.

(v) Revenue Recognition

Contributions received for capital assets are recognized in the year received as revenue instead of being deferred and amortized on the same basis as the related capital asset.

(b) Fund Accounting

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

The Operating Fund accounts for the Organization's program delivery and administrative activities.

The Capital Fund reports the activities of the following funds:

- (i) CLH Reserve Fund
- (ii) Community Respite Centre Fund
- (iii) Ontario Ministry of Children, Community and Social Services Capital Reserve Fund - Dedicated Housing Support

The CLH Reserve Fund accounts for the Organization's capital assets and internally restricted reserves. The Community Respite Centre Fund accounts for the Organization's internally restricted reserves for the construction of the new respite centre. Internally restricted reserves are those over which the Board of Directors has discretionary control to use in carrying on the operations of the Organization.

The Ontario Ministry of Children, Community and Social Services Capital Reserve Fund - Dedicated Housing Support reports only externally restricted resources that are to be used to acquire/maintain capital assets funded by the Ministry.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Instruments

(i) Measurement of Financial Instruments

Financial assets and liabilities are initially recognized at fair value except for certain non-arm's length transactions that are measured at the exchange amount or carrying value as appropriate, and their subsequent measurement is dependent on their classification as designated by the Organization. Investments are subsequently measured at fair value with changes in fair value included on the statement of operations. Financial assets subsequently measured at amortized cost include cash, accounts receivable and interfund receivables.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, government advances and mortgages payable.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of a write down is recognized on the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized on the statement of operations.

(iii) Transaction Costs

The Organization recognizes its transaction costs on the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(d) Investments

Investments are recorded at fair value. Fair values are estimated using quoted market prices. Long term investments are held in an independently managed portfolio which can be promptly liquidated if required. These investments have been classified as long term investments as the organization does not intend to use these investments in the next 12 months. Investment purchase and sale transactions are accounted for on the trade date. Investment revenue includes interest, dividends and realized and unrealized gains and losses.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Capital Assets

Capital assets purchased by the Operating Fund are expensed in accordance with the accounting policy stated in *Note 1(a)*. Capital assets purchased by the Capital Fund are capitalized and amortized on the diminishing balance basis over the estimated useful life of the assets using rates as indicated. Capitalized assets acquired during the year are amortized at one-half of the indicated rate.

Buildings	-	5%
Parking lots	-	4%
Motor vehicles	-	30%
Furniture and equipment	-	20%

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized on the statement of operations when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital asset exceeds its fair value.

An impairment loss is not reversed if the fair value of the capital asset subsequently increases.

(f) Government Advances

The majority of the Organization's programs are funded by the Ministry, the City of Hamilton and the Government of Canada. At any given time, the total expenditures incurred may be less than the approved subsidy for the fiscal year. As a consequence, it is possible for a program to receive more support than that to which it is entitled. The Organization records a liability for the excess amounts received and shows them in the liability section on the statement of financial position as government advances. Any government advances not recovered after three years are recognized as revenue and shown in the revenue section of the statement of operations as advances forgiven.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Program fees and rental revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured. Revenue from sales from ancillary operations is recognized when the services are provided or the goods are sold. Revenue from fundraising activities are recorded when received.

Investment revenue is recognized when earned.

(h) Donated Materials

Donated materials are recorded at fair value at the date of the donation when the fair value can be reasonably determined.

(i) Donated Services

The work of the Organization is dependent on the voluntary services of members of the community. Due to the difficulty of determining the fair value to the Organization, the value of these volunteer services is not provided for in these financial statements.

(j) Allocation of Expenditures

The Organization records its expenditures by program.

Administration costs are allocated to programs based on budgeted amounts, not to exceed the administration charges permitted by program funders.

(k) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenditures during the period reported. These estimates are reviewed periodically and as adjustments become necessary, are reported in the period in which they become known. Significant areas requiring the use of management estimates include amortization and impairment assessments of capital assets.

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

2. CASH

	Operating Fund	Capital Fund	2022 Total	2021 Total
Unrestricted				
Cash on hand	\$ 61	\$ -	\$ 61	\$ 64
Equitable Life deposit account	-	-	-	214,036
Bank of Montreal accounts	<u>2,674,708</u>	<u>-</u>	<u>2,674,708</u>	<u>1,951,818</u>
	<u>2,674,769</u>	<u>-</u>	<u>2,674,769</u>	<u>2,165,918</u>
Restricted				
Bank of Montreal accounts	-	1,968,695	1,968,695	1,929,952
Meridian Credit Union accounts	<u>-</u>	<u>167</u>	<u>167</u>	<u>227</u>
	<u>-</u>	<u>1,968,862</u>	<u>1,968,862</u>	<u>1,930,179</u>
	<u>\$ 2,674,769</u>	<u>\$ 1,968,862</u>	<u>\$ 4,643,631</u>	<u>\$ 4,096,097</u>

Included in restricted cash of the capital fund is externally restricted cash of \$46,048 (2021 - \$42,927). Interest is earned on the Bank of Montreal accounts at bank prime (2021 - bank prime) and on the Meridian Credit Union accounts at an average rate of 1.00% (2021 - 1.00%).

3. SHORT TERM INVESTMENT

The investment consists of a Guaranteed Investment Certificate (GIC), maturing June 22, 2022 (2021 - June 21, 2022). The fair value of the GIC includes accrued interest of approximately \$8,288 as at March 31, 2022 (2021 - \$Nil). The GIC has an average effective rate of interest of 2.00% (2021 - 2.00%).

4. ACCOUNTS RECEIVABLE

	Operating Fund		Capital Fund	
	2022	2021	2022	2021
Trade receivables	\$ 235,365	\$ 202,907	\$ -	\$ -
Harmonized sales tax recoverable	107,872	55,960	47	89
Government grants	<u>12</u>	<u>261,422</u>	<u>-</u>	<u>-</u>
	<u>\$ 343,249</u>	<u>\$ 520,289</u>	<u>\$ 47</u>	<u>\$ 89</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

5. LONG TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
Cash and short term investments	\$ 101,252	\$ -
Fixed income	482,913	-
Canadian equities	609,276	-
Foreign equities	287,172	-
Investment trusts	4,905	-
	<u>\$ 1,485,518</u>	<u>\$ -</u>

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

6. CAPITAL ASSETS

	<u>2022</u>			<u>2021</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>	<u>Net</u>
CLH Reserve Fund				
Land	\$ 128,839	\$ -	\$ 128,839	\$ 128,839
Buildings	1,839,921	1,476,736	363,185	395,460
Parking lots	33,381	18,527	14,854	15,473
Motor vehicles	21,961	19,451	2,510	3,642
Furniture and equipment	290,725	288,907	1,818	2,272
	<u>\$ 2,314,827</u>	<u>\$ 1,803,621</u>	<u>\$ 511,206</u>	<u>\$ 545,686</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>Operating Fund</u>		<u>Capital Fund</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 459,272	\$ 79,935	\$ 17,136	\$ 16,798
Government remittances payable	128,000	126,377	-	-
Accrued liabilities	848,658	592,971	-	-
	<u>\$ 1,435,930</u>	<u>\$ 799,283</u>	<u>\$ 17,136</u>	<u>\$ 16,798</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

8. GOVERNMENT ADVANCES

	<u>2022</u>	<u>2021</u>
Ontario Ministry of Children, Community and Social Services		
Dedicated Housing Support	\$ 8,806	\$ 5,341
Residential Services	57,681	-
ASD Respite Services	6,412	-
Family Home Program	5,545	5,545
Family Support Program	69,539	298,677
Dedicated Housing Support Infrastructure	-	10,286
Employment Supports - DS	58,836	58,836
Community Participation Services	78,115	114,413
Community Support/Development	53,883	53,883
Special Services at Home	2,327	3,204
Supported Independent Living Program	25,292	25,292
Pandemic Pay	17,141	38,805
Partner Facility Renewal	18,600	-
Partner Facility Renewal - fire code	<u>2,054</u>	<u>2,054</u>
	404,231	616,336
City of Hamilton		
Special Needs Program	114,852	121,504
FEDCAP		
Employment Supports	<u>4,459</u>	<u>62,051</u>
	<u>\$ 523,542</u>	<u>\$ 799,891</u>

9. MORTGAGES PAYABLE

	<u>2022</u>	<u>2021</u>
Mortgage payable, bearing interest at 3.105%, repayable in blended monthly instalments of \$1,128, secured by the Kensington building with a net book value of \$80,563 (2021 - \$91,433), maturing October 1, 2023	\$ 80,563	\$ 91,433
Mortgage payable, bearing interest at 2.220%, repayable in blended monthly instalments of \$1,010, secured by the Appleford building with a net book value of \$73,482 (2021 - \$83,881), maturing January 1, 2024	<u>73,482</u>	<u>83,881</u>
	154,045	175,314
Principal payments due within one year	<u>21,821</u>	<u>21,249</u>
	<u>\$ 132,224</u>	<u>\$ 154,065</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

9. MORTGAGES PAYABLE (Continued)

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

2023	-	\$	21,821
2024	-	\$	132,224

Interest in the amount of \$4,413 (2021 - \$5,123) along with principal payments of \$21,250 (2021 - \$20,540) was paid during the year, which has been included in the mortgage payments expenditure on the statement of operations.

10. BANK OPERATING LINE

The Organization has a revolving demand credit line with an \$800,000 (2021 - \$800,000) limit of which \$800,000 (2021 - \$800,000) remained unused at March 31, 2022. Interest is calculated at bank prime per annum and is payable monthly. The credit line is secured by a general security agreement.

11. EMPLOYEE BENEFIT PLAN

Community Living Hamilton participates in a defined contribution pension plan with eligible employees. Community Living Hamilton matches contributions at 4% of individual employee gross earnings. A financial institution administers the pension assets. During the year, Community Living Hamilton incurred pension expenditures totalling \$216,859 (2021 - \$211,826).

12. HAMILTON COMMUNITY FOUNDATION - ENDOWMENT FUND

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

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

The net earnings of the endowment fund will be received annually from the Foundation at the request of the Organization. The Foundation will notify the Organization of available fund earnings within thirty days of the completion of their annual audit. No part of the capital of the endowment fund shall revert or be paid to, lent or applied to, or benefit the Organization, unless the Foundation ceases to exist. The Organization is independent of the Foundation and it is not in a position to significantly influence the Foundation's activities or operating decisions. As a result, the assets, liabilities and expenditures of the endowment fund are not reflected in these financial statements.

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

12. HAMILTON COMMUNITY FOUNDATION - ENDOWMENT FUND (Continued)

During the year the Organization was notified that undistributed income in the amount of \$6,472 (2021 - \$5,161) was earned during the fiscal year ended March 31, 2021. A balance of \$Nil (2021 - \$Nil) was requested to be transferred to the Organization leaving a balance of \$16,782 (2021 - \$10,310) available for distribution and cumulative undistributed income of \$16,782 (2021 - \$10,310).

13. INTERFUND TRANSFERS AND INTERNAL RESTRICTIONS

The amount of \$2,920 (2021 - \$4,281) 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 \$357,161 (2021 - \$370,372). These internally restricted amounts are not available for any other purpose without approval of the Board of Directors.

14. NET ASSETS - CAPITAL FUND

	<u>2022</u>	<u>2021</u>
Internally restricted net assets		
CLH Reserve Fund	\$ 3,727,721	\$ 2,210,070
Community Respite Centre Fund	<u>18,115</u>	<u>18,115</u>
	<u>3,745,836</u>	<u>2,228,185</u>
 Internally restricted net assets invested in capital assets (Note 15)	 357,161	 370,372
 Externally restricted net assets		
Ontario Ministry of Children, Community and Social Services Capital Reserve Fund	<u>45,847</u>	<u>42,927</u>
	<u>\$ 4,148,844</u>	<u>\$ 2,641,484</u>

15. INTERNALLY RESTRICTED NET ASSETS INVESTED IN CAPITAL ASSETS

	<u>2022</u>	<u>2021</u>
Capital assets, net	\$ 511,206	\$ 545,686
Mortgages payable	<u>(154,045)</u>	<u>(175,314)</u>
	<u>\$ 357,161</u>	<u>\$ 370,372</u>

COMMUNITY LIVING HAMILTON
Notes to Financial Statements
Year Ended March 31, 2022

16. COMMITMENTS

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

2023	-	\$	88,534
2024	-	\$	47,100
2025	-	\$	13,099
2026	-	\$	13,099

17. ECONOMIC DEPENDENCE

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

18. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2022.

(a) Credit Risk

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

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

(b) Market Risk

The organization invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market fluctuations. Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency Risk

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

18. FINANCIAL INSTRUMENTS (Continued)

(b) Market Risk (Continued)

(ii) Interest Rate Risk

The Organization is exposed to interest rate risk on its fixed rate financial instruments. At March 31, 2022 the Organization had a fixed interest GIC as described in *Note 3* and fixed interest mortgages as described in *Note 9*. Fixed rate instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. Fluctuations in interest rates will impact the cost of financing incurred currently and in the future.

(iii) Price Risk

Price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of change in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. During the March 31, 2022 fiscal year end the Organization was subject to price risk due to its purchase of equities as described in *Note 5*. The Organization mitigates this risk by investing across a broad spectrum of asset classes and investment strategies.

(c) Liquidity Risk

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

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

19. 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 continue to be impacted. 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 has provided additional funding for Covid-19 related expenditures. Management continues to carefully monitor the situation. While we expect this to be temporary, there still exists uncertainty around its duration and possible broader impact in the next fiscal year.

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Capital Fund
Year Ended March 31, 2022

	<u>Internally Restricted Net Assets</u>		<u>Externally Restricted Net Assets</u>	2022 Total Capital Fund	2021 Total Capital Fund
	CLH Reserve Fund	Community Respite Centre Fund	Ontario M.C.C.S.S. Capital Reserve Fund		
Revenue					
Investment revenue	\$ 33,986	\$ -	\$ -	\$ 33,986	\$ 35,159
Donations, fundraising and other revenue	<u>1,532,122</u>	<u>-</u>	<u>-</u>	<u>1,532,122</u>	<u>141,707</u>
	<u>1,566,108</u>	<u>-</u>	<u>-</u>	<u>1,566,108</u>	<u>176,866</u>
Expenditures					
Purchased services	-	-	-	-	10
Other service costs	3,479	-	-	3,479	92,320
Amortization	13,168	-	-	13,168	14,415
Employee recognition	<u>45,021</u>	<u>-</u>	<u>-</u>	<u>45,021</u>	<u>20,953</u>
	<u>61,668</u>	<u>-</u>	<u>-</u>	<u>61,668</u>	<u>127,698</u>
EXCESS REVENUE OVER EXPENDITURES	1,504,440	-	-	1,504,440	49,168
Net assets, beginning of year	2,210,070	18,115	42,927	2,271,112	2,202,933
Net assets invested in capital assets transfer	13,211	-	-	13,211	14,730
Inter-fund transfers (Note 13)	<u>-</u>	<u>-</u>	<u>2,920</u>	<u>2,920</u>	<u>4,281</u>
Net assets, end of year	<u>\$ 3,727,721</u>	<u>\$ 18,115</u>	<u>\$ 45,847</u>	<u>\$ 3,791,683</u>	<u>\$ 2,271,112</u>

COMMUNITY LIVING HAMILTON
Schedule to the Statement of Operations - Operating Fund
Year Ended March 31, 2022

	Centrally Allocated Administration	MCCSS Funded Services (Page 24)	FEDCAP Canada Employment Supports	MCCSS Dedicated Housing Support	Community Support and Development Programs	Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ -	\$ 10,104,885	\$ -	\$ -	\$ 72,917	\$ 10,177,802
City of Hamilton	-	-	-	-	3,205,946	3,205,946
Federal government	-	26,264	-	-	-	26,264
United Way	-	-	-	-	44,872	44,872
Other	-	-	-	48,717	-	48,717
	<u>-</u>	<u>10,131,149</u>	<u>-</u>	<u>48,717</u>	<u>3,323,735</u>	<u>13,503,601</u>
Association Generated						
Contract sales	-	-	-	-	395,788	395,788
Accommodation charges	-	421,975	-	-	-	421,975
Rental revenue	-	158,243	-	13,992	-	172,235
Program fees	10,000	-	140,641	-	309,546	460,187
Other	75,665	-	-	-	331	75,996
	<u>85,665</u>	<u>580,218</u>	<u>140,641</u>	<u>13,992</u>	<u>705,665</u>	<u>1,526,181</u>
	<u>85,665</u>	<u>10,711,367</u>	<u>140,641</u>	<u>62,709</u>	<u>4,029,400</u>	<u>15,029,782</u>
EXPENDITURES						
Staff salaries	732,382	6,207,464	107,884	7,994	2,301,414	9,357,138
Employee benefits	154,932	1,187,123	27,122	936	536,704	1,906,817
Staff travel and training	25,056	114,538	319	-	19,524	159,437
Purchased services	460,848	245,304	2,238	2,760	573,429	1,284,579
Supplies	55,242	73,721	130	-	98,049	227,142
Food costs	1,267	177,219	-	-	135	178,621
Premises rent, other rentals and insurance (Note 16)	100,959	274,791	780	2,770	10,690	389,990
Utilities and taxes	6,971	142,176	131	12,334	40,805	202,417
Repairs and maintenance	-	843,782	74	863	5,283	850,002
New equipment and replacements	7,563	190,826	-	-	98,086	296,475
Vehicle operations	1,659	36,748	-	-	11	38,418
Other service costs	19,257	65,395	1,963	6,469	5,224	98,308
Bad debt	1,275	-	-	-	50	1,325
Mortgage payments (Note 9)	-	-	-	25,663	-	25,663
Centrally allocated administration	(1,344,576)	1,152,280	-	-	192,296	-
	<u>222,835</u>	<u>10,711,367</u>	<u>140,641</u>	<u>59,789</u>	<u>3,881,700</u>	<u>15,016,332</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	(137,170)	-	-	2,920	147,700	13,450
Transfer to MCCSS Capital Reserve Fund (Note 13)	-	-	-	(2,920)	-	(2,920)
Program surplus (deficit)	<u>\$ (137,170)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,700</u>	<u>\$ 10,530</u>

COMMUNITY LIVING HAMILTON
Schedule of Ontario Ministry of Children, Community and Social Services Funded Services
Year Ended March 31, 2022

	Group Living Support	Adult Individual Living Support	Adult Community Access Support	Respite Support Children	Special Services At Home Children	Sub-Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ 3,568,657	\$ 436,428	\$ 3,983,667	\$ 743,358	\$ 125,557	\$ 8,857,667
Federal government	-	-	26,264	-	-	26,264
	<u>3,568,657</u>	<u>436,428</u>	<u>4,009,931</u>	<u>743,358</u>	<u>125,557</u>	<u>8,883,931</u>
Association Generated						
Accommodation charges	421,975	-	-	-	-	421,975
Rental revenue	158,243	-	-	-	-	158,243
	<u>580,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,218</u>
	<u>4,148,875</u>	<u>436,428</u>	<u>4,009,931</u>	<u>743,358</u>	<u>125,557</u>	<u>9,464,149</u>
EXPENDITURES						
Staff salaries	2,809,863	276,249	2,102,894	123,570	106,265	5,418,841
Employee benefits	417,715	55,433	539,379	31,045	23,157	1,066,729
Staff travel and training	44,891	11,399	48,554	6,217	208	111,269
Purchased services	69,251	7,837	131,340	28,521	89	237,038
Supplies	38,991	889	15,437	2,287	-	57,604
Food costs	177,043	-	111	65	-	177,219
Premises rent, other rentals and insurance (Note 16)	138,448	17,874	48,466	213	-	205,001
Utilities and taxes	69,765	1,088	49,341	8,921	241	129,356
Repairs and maintenance	97,998	-	739,533	557	-	838,088
New equipment and replacements	61,218	-	120,242	8,731	-	190,191
Vehicle operations	3,574	-	33,150	-	-	36,724
Other service costs	61,251	297	3,678	57	-	65,283
Centrally allocated administration	428,239	52,371	478,040	91,706	-	1,050,356
	<u>4,418,247</u>	<u>423,437</u>	<u>4,310,165</u>	<u>301,890</u>	<u>129,960</u>	<u>9,583,699</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	<u>\$ (269,372)</u>	<u>\$ 12,991</u>	<u>\$ (300,234)</u>	<u>\$ 441,468</u>	<u>\$ (4,403)</u>	<u>\$ (119,550)</u>

COMMUNITY LIVING HAMILTON
Schedule of Ontario Ministry of Children, Community and Social Services Funded Services (Continued)
Year Ended March 31, 2022

	Sub-Total	ASD Respite Services	DS Employment Supports	Pandemic Costs	Adult Respite	Total
REVENUE						
Grants and Subsidies						
Ontario Ministry of Children, Community and Social Services	\$ 8,857,667	\$ 23,826	\$ 612,221	\$ 524,265	\$ 86,906	\$ 10,104,885
Federal government	<u>26,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,264</u>
	<u>8,883,931</u>	<u>23,826</u>	<u>612,221</u>	<u>524,265</u>	<u>86,906</u>	<u>10,131,149</u>
Association Generated						
Accommodation charges	421,975	-	-	-	-	421,975
Rental revenue	<u>158,243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,243</u>
	<u>580,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580,218</u>
	<u>9,464,149</u>	<u>23,826</u>	<u>612,221</u>	<u>524,265</u>	<u>86,906</u>	<u>10,711,367</u>
EXPENDITURES						
Staff salaries	5,418,841	4,544	195,240	585,977	2,862	6,207,464
Employee benefits	1,066,729	502	54,052	64,674	1,166	1,187,123
Staff travel and training	111,269	-	3,269	-	-	114,538
Purchased services	237,038	-	4,381	-	3,885	245,304
Supplies	57,604	-	234	14,836	1,047	73,721
Food costs	177,219	-	-	-	-	177,219
Premises rent, other rentals and insurance (Note 16)	205,001	-	41,977	-	27,813	274,791
Utilities and taxes	129,356	751	1,058	-	11,011	142,176
Repairs and maintenance	838,088	-	-	-	5,694	843,782
New equipment and replacements	190,191	-	-	427	208	190,826
Vehicle operations	36,724	-	-	24	-	36,748
Other service costs	65,283	-	112	-	-	65,395
Centrally allocated administration	<u>1,050,356</u>	<u>18,029</u>	<u>73,467</u>	<u>-</u>	<u>10,428</u>	<u>1,152,280</u>
	<u>9,583,699</u>	<u>23,826</u>	<u>373,790</u>	<u>665,938</u>	<u>64,114</u>	<u>10,711,367</u>
EXCESS (DEFICIENCY OF) REVENUE OVER EXPENDITURES	<u>\$ (119,550)</u>	<u>\$ -</u>	<u>\$ 238,431</u>	<u>\$ (141,673)</u>	<u>\$ 22,792</u>	<u>\$ -</u>