

COMMUNITY LIVING ELGIN

Consolidated Financial Statements

March 31, 2019

COMMUNITY LIVING ELGIN
Consolidated Financial Statements
For The Year Ended March 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Members of **Community Living Elgin**:

Opinion

We have audited the consolidated financial statements of **Community Living Elgin**, which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the organization's consolidated financial statements present fairly, in all material respects, the consolidated financial position of the organization as at March 31, 2019, and the consolidated results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 consolidated 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 opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 consolidated 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 auditor's report to the related disclosures in the consolidated 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 auditor's 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

St. Thomas, Ontario

June 19, 2019

Graham Scott Enns LLP

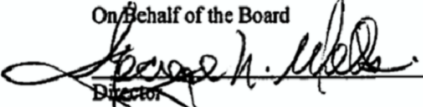
CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

COMMUNITY LIVING ELGIN

Consolidated Statement of Financial Position For The Year Ended March 31, 2019

	Operating Fund \$	Capital Fund \$	Subtotal Community Living Elgin \$	STEAMR Housing \$	Elgin Community Resource Services \$	2019 \$	2018 \$
ASSETS							
CURRENT ASSETS							
Cash	1,712,039	645,840	2,357,879	10,060	31,013	2,398,952	1,861,107
Replacement reserve fund cash	180,665	18,005	198,670	10,679	-	209,349	230,862
Accounts receivable (Note 2, 10)	194,298	-	194,298	250	-	194,548	162,336
Interfund receivables (payables)	168,593	(32,835)	135,758	(22,029)	(113,729)	-	-
Prepaid expenses	7,588	710	8,298	-	-	8,298	10,979
	<u>2,263,183</u>	<u>631,720</u>	<u>2,894,903</u>	<u>(1,040)</u>	<u>(82,716)</u>	<u>2,811,147</u>	<u>2,265,284</u>
TANGIBLE CAPITAL ASSETS (NOTE 3)	<u>-</u>	<u>3,874,178</u>	<u>3,874,178</u>	<u>56,010</u>	<u>226,799</u>	<u>4,156,987</u>	<u>4,460,669</u>
TOTAL ASSETS	<u><u>2,263,183</u></u>	<u><u>4,505,898</u></u>	<u><u>6,769,081</u></u>	<u><u>54,970</u></u>	<u><u>144,083</u></u>	<u><u>6,968,134</u></u>	<u><u>6,725,953</u></u>
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities (Note 10)	1,539,113	26,302	1,565,415	3,288	1,021	1,569,724	1,386,928
Government remittances payable	252,848	4,473	257,321	-	-	257,321	134,908
Deferred revenue (Note 4)	273,163	-	273,163	-	-	273,163	82,637
Current obligation under capital lease (Note 8)	-	42,068	42,068	-	-	42,068	40,473
Current portion of long-term debt (Note 7)	-	75,489	75,489	9,789	10,817	96,095	395,159
	<u>2,065,124</u>	<u>148,332</u>	<u>2,213,456</u>	<u>13,077</u>	<u>11,838</u>	<u>2,238,371</u>	<u>2,040,105</u>
OBLIGATION UNDER CAPITAL LEASE (NOTE 8)	<u>-</u>	<u>7,106</u>	<u>7,106</u>	<u>-</u>	<u>-</u>	<u>7,106</u>	<u>40,691</u>
LONG-TERM DEBT (NOTE 7)	<u>-</u>	<u>472,457</u>	<u>472,457</u>	<u>-</u>	<u>77,317</u>	<u>549,774</u>	<u>356,220</u>
DEFERRED CAPITAL CONTRIBUTIONS (NOTE 5)	<u>-</u>	<u>1,692,309</u>	<u>1,692,309</u>	<u>-</u>	<u>-</u>	<u>1,692,309</u>	<u>1,876,259</u>
	<u>2,065,124</u>	<u>2,320,204</u>	<u>4,385,328</u>	<u>13,077</u>	<u>89,155</u>	<u>4,487,560</u>	<u>4,313,275</u>
FUND BALANCES							
REPLACEMENT RESERVE - EXTERNALLY RESTRICTED	<u>-</u>	<u>19,881</u>	<u>19,881</u>	<u>10,679</u>	<u>-</u>	<u>30,560</u>	<u>59,675</u>
REPLACEMENT RESERVE - INTERNALLY RESTRICTED	<u>174,353</u>	<u>-</u>	<u>174,353</u>	<u>-</u>	<u>-</u>	<u>174,353</u>	<u>186,517</u>
CAPITAL FUND	<u>-</u>	<u>2,165,813</u>	<u>2,165,813</u>	<u>-</u>	<u>-</u>	<u>2,165,813</u>	<u>2,092,591</u>
UNRESTRICTED NET ASSETS	<u>23,706</u>	<u>-</u>	<u>23,706</u>	<u>31,214</u>	<u>54,928</u>	<u>109,848</u>	<u>73,895</u>
	<u>198,059</u>	<u>2,185,694</u>	<u>2,383,753</u>	<u>41,893</u>	<u>54,928</u>	<u>2,480,574</u>	<u>2,412,678</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>2,263,183</u></u>	<u><u>4,505,898</u></u>	<u><u>6,769,081</u></u>	<u><u>54,970</u></u>	<u><u>144,083</u></u>	<u><u>6,968,134</u></u>	<u><u>6,725,953</u></u>

On behalf of the Board

 Director


 Director

See accompanying notes to the consolidated financial statements

COMMUNITY LIVING ELGIN

Consolidated Statement of Changes In Net Assets For The Year Ended March 31, 2019

	Unrestricted Net Assets			Replacement Reserve Funds			Capital Fund	2019
	Operating	STEAMR Housing	Elgin Community Resource Services	Operating	STEAMR Housing	Capital		Total
	\$	\$	\$	\$	\$	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	16,497	15,948	41,450	186,517	16,796	42,879	2,092,591	2,412,678
Excess of revenues								
over expenditures for the year	7,209	15,266	13,478	-	-	-	59,782	95,735
Interfund transactions	-	-	-	(12,164)	(6,117)	(22,998)	13,440	(27,839)
NET ASSETS, END OF YEAR	<u>23,706</u>	<u>31,214</u>	<u>54,928</u>	<u>174,353</u>	<u>10,679</u>	<u>19,881</u>	<u>2,165,813</u>	<u>2,480,574</u>

	Unrestricted Net Assets			Replacement Reserve Funds			Capital Fund	2018
	Operating	STEAMR Housing	Elgin Community Resource Services	Operating	STEAMR Housing	Capital		Total
	\$	\$	\$	\$	\$	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	(38,525)	(292)	30,619	216,471	19,979	49,592	2,029,954	2,307,798
Excess of revenues								
over expenditures for the year	55,022	16,240	10,831	-	-	-	62,637	144,730
Interfund transactions	-	-	-	(29,954)	(3,183)	(6,713)	-	(39,850)
NET ASSETS, END OF YEAR	<u>16,497</u>	<u>15,948</u>	<u>41,450</u>	<u>186,517</u>	<u>16,796</u>	<u>42,879</u>	<u>2,092,591</u>	<u>2,412,678</u>

See accompanying notes to the consolidated financial statements

COMMUNITY LIVING ELGIN

Consolidated Statement of Operations For The Year Ended March 31, 2019

	Operating Fund (Page 19) \$	Capital Fund (Page 20) \$	Subtotal Community Living Elgin \$	STEAMR Housing \$	Elgin Community Resource Services \$	Interfund transactions \$	2019 \$	2018 \$
REVENUES								
Ministry of Children, Community and Social Services	11,896,540	-	11,896,540	-	-	(6,178)	11,890,362	12,027,960
Dedicated Supportive Housing	-	92,740	92,740	-	-	-	92,740	93,580
Other government	1,014,735	-	1,014,735	3,454	-	-	1,018,189	-
Rental income	-	482,704	482,704	57,120	42,000	(185,020)	396,804	384,828
Fees from people supported	12,796	62,309	75,105	-	-	-	75,105	27,792
Other	13,862	62,554	76,416	-	-	-	76,416	69,641
Amortization of deferred capital contributions	-	258,431	258,431	-	-	-	258,431	212,964
Investment	30,012	9,213	39,225	-	-	-	39,225	7,275
Donations	-	19,852	19,852	-	-	-	19,852	20,386
Events	-	15,738	15,738	-	-	-	15,738	18,206
	<u>12,967,945</u>	<u>1,003,541</u>	<u>13,971,486</u>	<u>60,574</u>	<u>42,000</u>	<u>(191,198)</u>	<u>13,882,862</u>	<u>12,862,632</u>

See accompanying notes to the consolidated financial statements

COMMUNITY LIVING ELGIN

Consolidated Statement of Operations (Continued) For The Year Ended March 31, 2019

	Operating Fund (Page 19) \$	Capital Fund (Page 20) \$	Subtotal Community Living Elgin \$	STEAMR Housing \$	Elgin Community Resource Services \$	Interfund transactions \$	2019 \$	2018 \$
EXPENDITURES								
Wages and benefits	11,001,477	65,323	11,066,800	-	-	-	11,066,800	10,327,744
Other staff costs (recoveries)	64,152	(1,359)	62,793	-	-	-	62,793	-
Program	757,031	16,394	773,425	1,500	-	-	774,925	849,680
Occupancy	524,606	164,959	689,565	20,096	10,433	(185,020)	535,074	134,013
Building	3,469	152,066	155,535	20,096	2,274	-	177,905	651,256
Vehicle	50,950	50,025	100,975	-	-	-	100,975	90,348
Office	36,261	-	36,261	-	-	-	36,261	120,489
Technology	124,253	-	124,253	-	-	-	124,253	-
Interest	5,570	46,449	52,019	222	3,196	-	55,437	36,450
Other	14,002	5,795	19,797	1,615	13	(6,178)	15,247	18,198
Corporate (Note 10)	378,965	47,265	426,230	1,779	2,400	-	430,409	132,287
Amortization	-	396,842	396,842	-	10,206	-	407,048	357,437
	<u>12,960,736</u>	<u>943,759</u>	<u>13,904,495</u>	<u>45,308</u>	<u>28,522</u>	<u>(191,198)</u>	<u>13,787,127</u>	<u>12,717,902</u>
EXCESS OF REVENUES OVER								
EXPENDITURES FOR THE YEAR	<u><u>7,209</u></u>	<u><u>59,782</u></u>	<u><u>66,991</u></u>	<u><u>15,266</u></u>	<u><u>13,478</u></u>	<u><u>-</u></u>	<u><u>95,735</u></u>	<u><u>144,730</u></u>

See accompanying notes to the consolidated financial statements

COMMUNITY LIVING ELGIN

Consolidated Statement of Cash Flow For The Year Ended March 31, 2019

	2019	2018
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	95,735	144,730
Amortization of tangible capital assets	407,048	357,437
Amortization of deferred capital contributions	(258,431)	(212,964)
Capital gain on sale of tangible capital assets	<u>-</u>	<u>(21,408)</u>
	244,352	267,795
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(30,653)	23,450
Decrease (increase) in prepaid expenses	2,681	(5,154)
Increase in accounts payable and accrued liabilities	182,796	122,212
Increase (decrease) in government remittances payable	122,413	(1,796)
Increase in deferred revenue	<u>190,526</u>	<u>36,414</u>
Cash flows from operating activities	<u>712,115</u>	<u>442,921</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net proceeds on disposal of tangible capital assets	-	153,169
Change in Replacement Reserve Fund - Cash	21,513	41,738
Change in Replacement Reserve Fund - Fund Balance	(24,768)	(39,850)
Decrease in deferred capital contributions net of capital asset additions	<u>(33,515)</u>	<u>(322,165)</u>
Cash flows used in investing activities	<u>(36,770)</u>	<u>(167,108)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayments) advances of long-term debt	(105,510)	51,105
Repayments of capital lease obligations	<u>(31,990)</u>	<u>(42,068)</u>
Cash flows (used in) from financing activities	<u>(137,500)</u>	<u>9,037</u>
NET INCREASE IN CASH DURING THE YEAR	537,845	284,850
CASH, BEGINNING OF YEAR	<u>1,861,107</u>	<u>1,576,257</u>
CASH, END OF YEAR	<u><u>2,398,952</u></u>	<u><u>1,861,107</u></u>

See accompanying notes to the consolidated financial statements

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

NATURE OF THE ORGANIZATION

Community Living Elgin (the "organization") is incorporated, without share capital, under the Ontario Corporations Act. The organization is a registered charity and as such, is exempt from income tax pursuant to Section 149(1)(f) of the Income Tax Act, Canada. The organization provides supports and services, primarily to people with developmental disabilities and their families to enable them to participate in our community. The organization also educates the public on the values of an inclusive community. The organization envisions an inclusive community where all people can achieve their full potential.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Consolidation

The organization's consolidated financial statements include the Operating and Capital Funds of Community Living Elgin, as well as STEAMR Housing Corporation and Elgin Community Resource Services, which are both not-for-profit organizations that are controlled by Community Living Elgin.

Fund Accounting

The accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. The organization uses the following funds:

Operating Fund

The Operating Fund represents the excess revenue over expenditures that are related to ongoing programs and activities on of the organization.

Capital Fund

The capital fund includes the fundraising activities of the organization, the operation of Project 3000 homes and holds all tangible capital assets of the organization.

STEAMR Housing

STEAMR Housing represents the operations of STEAMR Housing Corporation, which include operating government assisted housing projects under the Canada Mortgage and Housing Corporation.

Elgin Community Resource Services

Elgin Community Resource Services represents the operations of Elgin Community Resource Services, which include leasing of property used by Community Living Elgin.

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

In particular, the organization uses estimates when accounting for certain items, including:

- Useful lives of tangible capital assets
- Asset impairments

Tangible Capital Assets and Amortization

Tangible capital assets are recorded at cost. The costs of repairs and replacements are charged to the Operating Fund when incurred. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts and the gain or loss is recognized in earnings. Amortization is calculated using the straight-line method over the estimated useful lives of the assets. The annual amortization rates are as follows:

Buildings		30 years
Building additions	Greater of: 10 years or the remaining useful life of the building	
Vehicles		5 years
Computers		3 years
Infrastructure		10 to 30 years
Furniture and equipment		5 years
Equipment under capital lease		20 years

Impairment

A long-lived 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 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 long-lived asset exceeds its fair value.

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donations-In-Kind and Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services and donations in kind are not recognized in the financial statements.

Replacement Reserves

Funds for replacements have been included in the fund from which allocations are made, rather than in a separate replacement reserve fund.

Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions, including government and other funding, are deferred and recognized as revenue in the period in which the related expenses are incurred. Externally restricted contributions for tangible capital assets are deferred and recognized as revenue on the same basis as amortization is recorded.

Unrestricted contributions are recognized as revenue when received since pledges are not legally enforceable claims.

Rental revenues are recognized as revenue at the time that the properties are rented to the tenant.

Interest and other revenues are accrued and recognized as revenue at the time that they are earned.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash, which are measured at fair value.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, capital leases and long-term debt.

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment

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

2. GOVERNMENT REMITTANCES RECEIVABLE

Included in accounts receivable is an amount of \$132,275 (2018 - \$122,280) in government remittances receivable relating to harmonized sales tax rebates.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	2019	2018
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Capital Fund</u>				
Land	956,382	-	956,382	956,382
Buildings	4,119,810	2,697,820	1,421,990	1,519,011
Vehicles	437,282	200,489	236,793	226,957
Computers	288,931	234,057	54,874	107,505
Infrastructure	1,465,269	495,483	969,786	1,097,766
Furniture and equipment	101,039	65,004	36,035	47,550
Equipment under capital lease	<u>283,312</u>	<u>84,994</u>	<u>198,318</u>	<u>212,484</u>
	<u>7,652,025</u>	<u>3,777,847</u>	<u>3,874,178</u>	<u>4,167,655</u>
 <u>STEAMR Housing Corporation</u>				
Land	56,010	-	56,010	56,010
Buildings	<u>236,354</u>	<u>236,354</u>	<u>-</u>	<u>-</u>
	<u>292,364</u>	<u>236,354</u>	<u>56,010</u>	<u>56,010</u>

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

3. TANGIBLE CAPITAL ASSETS (CONTINUED)

	Cost	Accumulated Amortization	2019	2018
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>Elgin Community Resource Services</u>				
Land	35,000	-	35,000	35,000
Building	<u>264,032</u>	<u>72,233</u>	<u>191,799</u>	<u>202,004</u>
	<u>299,032</u>	<u>72,233</u>	<u>226,799</u>	<u>237,004</u>
Total Tangible Capital Assets	<u>8,243,421</u>	<u>4,086,434</u>	<u>4,156,987</u>	<u>4,460,669</u>

The Ministry of Children, Community and Social Services provided significant funding for the acquisition of certain land and buildings. The organization is therefore not free to dispose of these facilities nor to use the assets for other purposes without the consent of the Ministry.

4. DEFERRED REVENUE

	2019	2018
	<u>\$</u>	<u>\$</u>
<u>Operating Fund</u>		
Social housing improvement program	-	57,256
Family respite project	2,567	7,161
City of St. Thomas	<u>270,596</u>	<u>10,492</u>
	273,163	74,909
<u>Capital Fund</u>		
Ministry of Children, Community and Social Services	<u>-</u>	<u>7,728</u>
	<u>273,163</u>	<u>82,637</u>

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

5. DEFERRED CAPITAL CONTRIBUTIONS

	2019	2018
	<u>\$</u>	<u>\$</u>
Buildings	418,859	449,149
Vehicles	170,427	127,424
Computers	54,873	107,504
Infrastructure	1,012,115	1,144,631
Furniture and equipment	<u>36,035</u>	<u>47,550</u>
	<u>1,692,309</u>	<u>1,876,258</u>

Deferred capital contributions represent the unamortized amount of funds received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

6. CREDIT FACILITY

The organization has a revolving line of credit to a maximum of \$200,000 that bears interest at the RBC prime rate. The balance drawn on the line of credit at year end was \$nil (2018 - \$nil). The following has been pledged as security for bank advances and other long-term debt with the Royal Bank of Canada:

- General security agreement covering all personal property of the organization;
- Security agreement covering all accounts receivable;
- Collateral mortgage in the amount of \$900,000 on the lands and improvements located at 400 and 406-408 Talbot Street, St. Thomas, Ontario;
- Collateral mortgage in the amount of \$150,000 on the lands and improvements located at 21 Kains Street, St. Thomas, Ontario;
- Collateral mortgage in the amount of \$200,000 on the lands and improvements located at 24 John Street, Aylmer, Ontario;
- Collateral mortgage in the amount of \$140,000 on the lands and improvements located at 86 Fath Avenue, Aylmer, Ontario.

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

7. LONG-TERM DEBT

<u>Community Living Elgin</u>	2019	2018
	<u>\$</u>	<u>\$</u>
Fixed Rate Term Loan, Royal Bank of Canada, interest at 4.29%, blended monthly instalments of \$591, due May, 2018	-	14,277
Fixed Rate Term Loan, Royal Bank of Canada, interest at 4.37%, blended monthly instalments of \$3,603, due October 2022 (secured by land and buildings with a carrying value of \$536,672)	201,836	231,454
Fixed Rate Term Loan, Royal Bank of Canada, interest at 3.99%, blended monthly instalments of \$848, due December 2022 (secured by land and buildings with a carrying value of \$284,472)	134,134	138,850
Mortgage payable, Great West Life Assurance, interest at 5.755%, blended monthly instalments of \$3,924, due May, 2024 (secured by land and buildings with a carrying value of \$134,565)	<u>211,976</u>	<u>246,033</u>
	547,946	630,614
Less: current portion	<u>75,489</u>	<u>284,151</u>
	<u>472,457</u>	<u>346,463</u>
 <u>STEAMR Housing Corporation</u>		
Mortgage payable, 1.12%, repayable in blended monthly instalments of \$1,088, due December 1, 2019 (secured by land and building included in capital assets with a carrying value of \$40,382)	9,789	22,631
Less: current portion	<u>9,789</u>	<u>12,874</u>
	<u>-</u>	<u>9,757</u>
 <u>Elgin Community Resource Services</u>		
Mortgage payable, 4.32%, repayable in blended monthly instalments of \$1,205, due April, 2023 (secured by land and building included in capital assets with a carrying value of \$226,799)	88,134	98,134
Less: current portion	<u>10,817</u>	<u>98,134</u>
	<u>77,317</u>	<u>-</u>

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

7. LONG-TERM DEBT (CONTINUED)

The aggregate amount of principal payments required in each of the next five years to meet debt retirement provisions is as follows:

	\$
2020	97,166
2021	90,678
2022	95,244
2023	265,928
2024	86,798
Thereafter	11,126

8. OBLIGATIONS UNDER CAPITAL LEASE

	2019	2018
	\$	\$
Capital lease, 2.47%, repayable in blended monthly payments of \$2,704, due May 2020 (secured by solar panels with a carrying value of \$139,734)	35,148	65,030
Capital lease, 2.42%, repayable in blended monthly payments of \$1,404, due July 2020 (secured by solar panels with a carrying value of \$72,750)	22,463	37,820
	57,611	102,850
Less: interest component	8,437	21,686
	49,174	81,164
Less: current portion	42,068	40,473
	7,106	40,691

Future minimum lease payments under capital leases are as follows:

	\$
2020	42,068
2021	7,106

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

9. OPERATING LEASES

The organization is committed under its operating leases to rent premises for a term ending December 2020 with an option to renew for an additional year.

The organization is committed under its operating leases to lease a vehicle for use in operations. The lease term ends December 2022.

Future minimum lease payments under operating leases are as follows:

	<u>\$</u>
2020	54,375
2021	54,375
2022	42,375
2023	4,250

10. RELATED PARTY TRANSACTIONS AND BALANCES

During the year, the organization engaged Creative Team Solutions ("CTS") to perform management functions. The organization has been appointed seats on the board of CTS, resulting in the organization having significant influence over the strategic policies of CTS. All transactions between the organization and CTS are in the normal course of operations, measured at fair market value and are recorded at the exchange amount.

During the year, the organization had the following transactions with CTS:

	2019
	<u>\$</u>
Corporate Expenditures	<u>222,462</u>

As at March 31, 2019, the organization had the following non-interest bearing balances due to/from CTS with no specific terms of repayment:

	2019
	<u>\$</u>
Accounts receivable	<u>1,695</u>
Accounts payable	<u>33,873</u>

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

11. EMPLOYEE RETIREMENT BENEFITS

The organization has a defined contribution plan (registered retirement savings plan) where the employer matches employee contributions depending on employment classification and years of service. In the year the organization contributed \$264,291 (2018 - \$247,327). These contributions are included in salaries and benefits on the statement of operations.

12. PAY EQUITY

The organization has met its Pay Equity obligation for the fiscal year ended March 31, 2019. Pay equity obligations are not funded by Ministry of Children, Community and Social Services.

13. GOVERNMENT ASSISTANCE

The organization is eligible for yearly Federal Supportive Housing funding towards operating expenditures as long as it continues to satisfy requirements determined in its operating agreement signed with the Canada Mortgage and Housing Corporation. Ministry of Children, Community and Social Services administers the program on behalf of the Canada Mortgage and Housing Corporation.

14. ECONOMIC DEPENDENCE

The majority of the organization's revenues are derived from Ministry of Children, Community and Social Services. These contracts are reviewed annually and the organization is dependant on this funding to continue operations. The organization is required to file various reports to ensure compliance with the funding agreements. If the organization doesn't spend funding according to the agreements or is not in compliance with the agreements the organization may be required to repay some of the funding. At year end the organization was in compliance with these agreements. The organization's management does not foresee any issues that would cause this funding to be discontinued.

15. COMPARATIVE FIGURES

Certain comparative figures presented in the financial statements have been reclassified to conform to the presentation adopted in the current year.

COMMUNITY LIVING ELGIN

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2019

16. FINANCIAL INSTRUMENT RISKS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of organization's exposure and concentrations at the Statement of Financial Position date.

Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, long-term debt and obligations under capital leases.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization does not have any significant exposure to any individual funder other than the Ministry of Children, Community and Social Services.

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 mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its current and long-term debt subject to fixed interest rates. It is management's opinion that this risk exposure is not significant.

It is management's opinion that the entity is not exposed to any significant foreign currency or other price risk.

No financial liabilities of the organization were in default during the period.

The organization was not subject to any covenants during the period.

There were no changes in these assessments from the prior year.

COMMUNITY LIVING ELGIN

Schedule of Operating Fund For The Year Ended March 31, 2019

	Government Funded Programs <u>\$</u>	Other Programs <u>\$</u>	2019 Total <u>\$</u>	2018 Total <u>\$</u>
REVENUES				
Ministry of Children, Community and Social Services	11,896,540	-	11,896,540	12,307,455
Other government	984,986	29,749	1,014,735	-
Fees from people supported	12,796	-	12,796	192,136
Other	10,345	3,517	13,862	32,522
Investment	<u>30,012</u>	<u>-</u>	<u>30,012</u>	<u>-</u>
	<u>12,934,679</u>	<u>33,266</u>	<u>12,967,945</u>	<u>12,532,113</u>
EXPENDITURES				
Wages and benefits	10,995,714	5,763	11,001,477	10,304,679
Other staff costs	64,152	-	64,152	-
Program	736,737	20,294	757,031	847,300
Occupancy	524,606	-	524,606	367,793
Building	3,469	-	3,469	598,696
Vehicle	50,950	-	50,950	90,348
Office	36,261	-	36,261	117,798
Technology	124,253	-	124,253	-
Interest	5,570	-	5,570	-
Other	14,002	-	14,002	18,190
Corporate	<u>378,965</u>	<u>-</u>	<u>378,965</u>	<u>132,287</u>
	<u>12,934,679</u>	<u>26,057</u>	<u>12,960,736</u>	<u>12,477,091</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>7,209</u>	<u>7,209</u>	<u>55,022</u>

COMMUNITY LIVING ELGIN

Schedule of Capital Fund For The Year Ended March 31, 2019

	Capital Fund	Project 3000	2019 Total	2018 Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
REVENUES				
Dedicated Supportive Housing	-	92,740	92,740	93,580
Rental income	449,454	33,250	482,704	314,172
Fees from people supported	62,309	-	62,309	-
Other	62,554	-	62,554	37,119
Amortization of deferred capital contributed	258,431	-	258,431	212,964
Investment	8,891	322	9,213	7,275
Donations	19,852	-	19,852	20,386
Events	15,738	-	15,738	18,206
	<u>877,229</u>	<u>126,312</u>	<u>1,003,541</u>	<u>703,702</u>
EXPENDITURES				
Wages and benefits	47,181	18,142	65,323	23,065
Other staff costs (recoveries)	(1,359)	-	(1,359)	-
Program	16,394	-	16,394	-
Occupancy	144,651	20,308	164,959	122,160
Building	123,916	28,150	152,066	113,374
Vehicle	50,025	-	50,025	-
Office	-	-	-	2,691
Interest	32,564	13,885	46,449	32,958
Other	950	4,845	5,795	8
Corporate	40,220	7,045	47,265	-
Amortization	378,866	17,976	396,842	346,809
	<u>833,408</u>	<u>110,351</u>	<u>943,759</u>	<u>641,065</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u><u>43,821</u></u>	<u><u>15,961</u></u>	<u><u>59,782</u></u>	<u><u>62,637</u></u>