

**Community Living Kingston and District**

**Financial Statements**  
**For the year ended March 31, 2019**

**Community Living Kingston and District  
Financial Statements  
For the year ended March 31, 2019**

**Contents**

---

<b>Independent Auditor's Report</b>	<b>2-3</b>
<b>Financial Statements</b>	
Statement of Financial Position	4-5
Statement of Fund Balances	6
Statement of Operations	7
Statement of Cash Flows	8
Summary of Significant Accounting Policies	9-11
Notes to Financial Statements	12-16

**Baker Tilly SEO LLP**  
201 - 1473 John Counter Blvd.  
Kingston, ON K7M 8Z6

**D:** 613.544.2903  
**F:** 613.544.6151

kingston@bakertilly.ca  
[www.bakertilly.ca](http://www.bakertilly.ca)

---

## Independent Auditor's Report

---

**To the Members of  
Community Living Kingston and District**

### *Opinion*

We have audited the financial statements of the Community Living Kingston and District (the "association") which comprise the statement of financial position as at March 31, 2019 and the statements of fund balances, operations and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2019 and the 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 Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the association 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 opinion.

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

Management is responsible for the preparation and fair presentation of these 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 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibility 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 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

AUDIT • TAX • ADVISORY

- 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 association'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 association'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 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 association 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.

Chartered Professional Accountants  
Licensed Public Accountants  
Kingston, Ontario  
June 12, 2019

**Community Living Kingston and District  
Statement of Financial Position**

March 31	Program Fund	Capital Fund	Association Fund	Child Care Fund	2019	2018
<b>ASSETS</b>						
<b>Current</b>						
Cash and bank (Note 1)	\$ 630,600	\$ -	\$ 729,015	\$ -	\$ 1,359,615	\$ 1,201,195
Cash and bank - investments (Note 2)	-	-	1,214	-	1,214	55,694
Accounts receivable	254,523	-	50,428	-	304,951	359,638
Due from M.C.C.S.S.	100,470	-	-	-	100,470	486,826
Prepaid expenses	110,862	-	-	-	110,862	130,370
Investments (Note 2)	-	-	254,380	-	254,380	138,000
Due from Program Fund	-	-	-	12,920	12,920	131,644
Due from Capital Fund	-	-	-	-	-	3,626,579
Due from Association Fund	544,207	-	-	-	544,207	-
	<b>1,640,662</b>	<b>-</b>	<b>1,035,037</b>	<b>12,920</b>	<b>2,688,619</b>	<b>6,129,946</b>
<b>Other assets</b>						
Investments (Note 2)	-	-	585,592	-	585,592	658,372
Capital assets (Note 3)	-	4,982,653	-	-	4,982,653	4,187,942
	<b>-</b>	<b>4,982,653</b>	<b>585,592</b>	<b>-</b>	<b>5,568,245</b>	<b>4,846,314</b>
	<b>\$ 1,640,662</b>	<b>\$ 4,982,653</b>	<b>\$ 1,620,629</b>	<b>\$ 12,920</b>	<b>\$ 8,256,864</b>	<b>\$ 10,976,260</b>



**Community Living Kingston and District  
Statement of Financial Position**

March 31	Program Fund	Capital Fund	Association Fund	Child Care Fund	2019	2018
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Current</b>						
Accounts payable and accrued liabilities	\$ 703,830	\$ -	\$ -	\$ -	\$ 703,830	\$ 1,180,292
Salary, payroll and part-time vacation payable (Note 4)	810,642	-	-	-	810,642	719,345
Full-time vacation and lieu payable (Note 5)	573,699	-	-	-	573,699	612,074
Unearned revenue	-	-	-	-	-	47,836
Funds held in trust	113,264	-	233,345	-	346,609	285,294
Due to Association Fund	-	-	-	-	-	480,845
Due to Program Fund	-	-	544,207	-	544,207	3,272,762
Due to Child Care Fund	12,920	-	-	-	12,920	4,616
	<b>2,214,355</b>	<b>-</b>	<b>777,552</b>	<b>-</b>	<b>2,991,907</b>	<b>6,603,064</b>
<b>Long-term</b>						
Deferred contributions related to capital assets (Note 6)	-	1,089,334	-	-	1,089,334	1,027,202
	<b>2,214,355</b>	<b>1,089,334</b>	<b>777,552</b>	<b>-</b>	<b>4,081,241</b>	<b>7,630,266</b>
<b>Fund balances</b>						
Externally restricted	(573,693)	-	-	-	(573,693)	1,949,404
Net assets invested in capital assets	-	3,893,319	-	-	3,893,319	(465,542)
Unrestricted	-	-	843,077	12,920	855,997	1,862,132
	<b>(573,693)</b>	<b>3,893,319</b>	<b>843,077</b>	<b>12,920</b>	<b>4,175,623</b>	<b>3,345,994</b>
	<b>\$ 1,640,662</b>	<b>\$ 4,982,653</b>	<b>\$ 1,620,629</b>	<b>\$ 12,920</b>	<b>\$ 8,256,864</b>	<b>\$10,976,260</b>

On behalf of the Board:

Director: \_\_\_\_\_

Director: \_\_\_\_\_

---

**Community Living Kingston and District  
Statement of Fund Balances**

<b>For the year ended March 31</b>	<b>Program Fund</b>	<b>Capital Association Fund</b>	<b>Association Fund</b>	<b>Child Care Fund</b>	<b>2019</b>	<b>2018</b>
<b>Fund balances, beginning of the year</b>	\$ 1,949,404	\$ (465,542)	\$ 1,857,516	\$ 4,616	\$ 3,345,994	\$ 2,378,793
<b>Excess of revenues over expenditures (expenditures over revenues) for the year</b>	1,081,572	(401,202)	140,955	8,304	829,629	967,201
<b>Inter-fund transfer (Note 7)</b>	<u>(3,604,669)</u>	<u>4,760,063</u>	<u>(1,155,394)</u>	-	-	-
<b>Fund balances, end of the year</b>	<u>\$ (573,693)</u>	<u>\$ 3,893,319</u>	<u>\$ 843,077</u>	<u>\$ 12,920</u>	<u>\$ 4,175,623</u>	<u>\$ 3,345,994</u>

## Community Living Kingston and District Statement of Operations

For the year ended March 31	Program Fund	Capital Association Fund	Child Care Fund	2019	2018
<b>Revenues</b>					
Grants - Provincial	\$16,690,763	\$ -	\$ -	\$16,690,763	\$15,301,112
Grants - Municipal	-	-	1,126,097	1,126,097	874,550
Fees and other recoveries	1,487,114	-	262,588	1,776,712	1,703,152
Rent and food recoveries	838,151	-	-	838,151	772,860
Sales	-	-	197,161	197,161	175,422
Amortization of deferred contributions (Note 6)	-	96,973	-	96,973	91,345
Interest	22,009	-	23,691	45,700	26,141
Fundraising	-	-	9,390	9,390	12,635
Unrealized gain (loss) on investments	-	-	7,805	7,805	(7,492)
Donations	-	-	4,843	4,843	7,410
Loss on disposal of assets	-	-	-	-	(12,806)
	<b>19,038,037</b>	<b>96,973</b>	<b>505,478</b>	<b>1,153,107</b>	<b>20,793,595</b>
				<b>20,793,595</b>	<b>18,944,329</b>
<b>Expenditures</b>					
Salaries and benefits	13,330,218	-	231,610	472,873	14,034,701
Purchased services	2,088,491	-	14,229	541,391	2,644,111
Rent	565,288	-	31,584	20,520	617,392
Property costs	505,883	-	12,559	4,284	522,726
Amortization of capital assets	-	498,175	-	-	498,175
Supplies	290,041	-	8,058	38,444	336,543
Staff travel	237,608	-	6,609	11,160	255,377
Transportation costs	227,986	-	16,337	-	244,323
Food	242,565	-	-	-	242,565
Associate families	208,936	-	-	-	208,936
Equipment costs	102,121	-	14,744	17,282	134,147
Insurance	105,765	-	-	5,325	111,090
Staff training	94,832	-	2,675	752	98,259
Fundraising	-	-	10,012	-	10,012
Interest and bank charges	5,609	-	-	-	5,609
Administration allocation (Note 9)	(48,878)	-	16,106	32,772	-
	<b>17,956,465</b>	<b>498,175</b>	<b>364,523</b>	<b>1,144,803</b>	<b>19,963,966</b>
				<b>1,144,803</b>	<b>17,977,128</b>
<b>Excess of revenues over expenditures (expenditures over revenues) for the year</b>					
	<b>\$ 1,081,572</b>	<b>\$ (401,202)</b>	<b>\$ 140,955</b>	<b>\$ 8,304</b>	<b>\$ 829,629</b>
				<b>\$ 829,629</b>	<b>\$ 967,201</b>





## Community Living Kingston and District Statement of Cash Flows

For the year ended March 31	Program Fund	Capital Fund	Association Fund	Child Care Fund	2019	2018
<b>Cash flows from operating activities</b>						
Excess of revenues over expenditures (expenditures over revenues) for the year	\$ 1,081,572	\$ (401,202)	\$ 140,955	\$ 8,304	\$ 829,629	\$ 967,201
<b>Adjustments for items not involving cash</b>						
Amortization of deferred capital contributions	-	(96,973)	-	-	(96,973)	(91,345)
Amortization of capital assets	-	498,175	-	-	498,175	313,379
Loss on disposal of capital assets	-	-	-	-	-	12,806
Unrealized (gain) loss on investments	-	-	(7,805)	-	(7,805)	7,492
	<b>1,081,572</b>	<b>-</b>	<b>133,150</b>	<b>8,304</b>	<b>1,223,026</b>	<b>1,209,533</b>
<b>Changes in non-cash working capital balances</b>						
Accounts receivable	78,296	-	(23,609)	-	54,687	55,274
Due from M.C.C.S.S.	386,356	-	-	-	386,356	(341,082)
Prepaid expenses	19,508	-	-	-	19,508	98,806
Accounts payable and accrued liabilities	(476,462)	-	-	-	(476,462)	555,518
Salary, payroll and part-time vacation payable	91,297	-	-	-	91,297	(56,096)
Full-time vacation and lieu payable	(38,375)	-	-	-	(38,375)	29,627
Unearned revenue	(47,836)	-	-	-	(47,836)	28,146
Funds held in trust	12,260	-	49,055	-	61,315	2,462
	<b>1,106,616</b>	<b>-</b>	<b>158,596</b>	<b>8,304</b>	<b>1,273,516</b>	<b>1,582,188</b>
<b>Cash flows from investing activities</b>						
Purchase of capital assets	-	(1,292,886)	-	-	(1,292,886)	(1,220,758)
Purchase of investments	-	-	(266,568)	-	(266,568)	(282,393)
Proceeds on sale of investments	-	-	231,097	-	231,097	320,881
Change in accrued interest	-	-	(324)	-	(324)	1,661
	<b>-</b>	<b>(1,292,886)</b>	<b>(35,795)</b>	<b>-</b>	<b>(1,328,681)</b>	<b>(1,180,609)</b>
<b>Cash flows from financing activities</b>						
Deferred capital contributions Interfund	-	159,105	-	-	159,105	-
	(994,838)	1,133,484	(130,342)	(8,304)	-	-
	<b>(994,838)</b>	<b>1,292,589</b>	<b>(130,342)</b>	<b>(8,304)</b>	<b>159,105</b>	<b>-</b>
<b>Increase (decrease) in cash and cash equivalents during the year</b>	<b>111,778</b>	<b>(297)</b>	<b>(7,541)</b>	<b>-</b>	<b>103,940</b>	<b>401,579</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>518,822</b>	<b>297</b>	<b>737,770</b>	<b>-</b>	<b>1,256,889</b>	<b>855,310</b>
<b>Cash and cash equivalents, end of year (note 10)</b>	<b>\$ 630,600</b>	<b>\$ -</b>	<b>\$ 730,229</b>	<b>\$ -</b>	<b>\$ 1,360,829</b>	<b>\$ 1,256,889</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

---

## Community Living Kingston and District Summary of Significant Accounting Policies

March 31, 2019

---

### **Nature of Association**

Community Living Kingston and District (the "association") engages in a wide range of activities that contribute toward the development of capacity in the community to include people with intellectual disabilities in every facet of life. The association delivers disability supports that generally fall into the following groups:

- Residential services ranging from differential assistance to enable individuals to establish their own homes to providing living arrangements with 24-hour staff support.
- Family support to enable families to include a child or adult member with intellectual disability.
- Childcare consulting and resource support to enable licensed childcare programs throughout Frontenac County to include children with special needs.
- Day programs to enable individuals who are not in the work force to contribute to the community as participating members and as volunteers.
- Employment support and assistance to individuals seeking to gain and maintain jobs.

The association is incorporated under the Ontario Corporations Act as a not-for-profit association and is a registered charity. The association is exempt from income taxes under sub-paragraph 149(1)(f) of the Canadian Income Tax Act. Membership in the association is open to residents of Kingston and surrounding townships. The authority of ownership by the members is delegated to a Board of Directors elected from among their members. The members hold their elected representatives subordinate and accountable in accordance with the by-laws. The Board of Directors governs by means of policy development and enforcement. Policy gives direction and sets limits upon what employees and members may or may not do within the association.

### **Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

---

## Community Living Kingston and District Summary of Significant Accounting Policies

March 31, 2019

---

### Fund Accounting

Accrual accounting and the deferral method of accounting are applied to revenue contributions within the following funds:

The *Program Fund* reports those activities related to programs subsidized by the Provincial Government which includes family support services, residential services and adult day programs.

The *Capital Fund* reports on the transactions related to the association's capital assets.

The *Association Fund* contains all other activities and programs not funded through a provincial or municipal annual service contract and includes fundraising activities, co-operative services, employment supports and other activities.

The *Child Care Fund* reports those activities subsidized by the municipality of the City of Kingston, specifically the Resource Consultant Program.

### Program Fund

The Program Fund receives most of its funding from the Ministry of Children, Community and Social Services under the Services and Supports to Promote the Social Inclusion of Persons with Developmental Disabilities Act and under the Child and Family Services Act. A funding surplus of any individual program supported by either of these Ministries may be used to offset deficits in other Ministry supported programs that are within the same Executive and Allotment transfer control and within the same legislation. Deficits, if any, in excess of approved Ministries funding must be financed by the association from its own fundraising resources.

### Capital Assets

Purchased capital assets are recorded at cost, while contributed capital assets are recorded at fair value at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings	-	30 years straight-line basis
Vehicles	-	5 and 10 years straight-line basis
Equipment	-	5 years straight-line basis
Computer software	-	2 years straight-line basis
Leasehold improvements	-	10 years straight-line basis

### Revenue Recognition

Restricted contributions, which include contributions for capital assets and forgivable loans, are recorded as deferred revenue in the appropriate fund and this deferred revenue is transferred to earned revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

---

## Community Living Kingston and District Summary of Significant Accounting Policies

March 31, 2019

---

### **Volunteer Services**

The work of the association benefits from the voluntary services of many members of the community. Since these services are not normally purchased by the association and because of the difficulty of determining their fair value, volunteer services are not recognized in these financial statements.

### **Use of Estimates**

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Estimates have been made by management within these financial statements primarily in relation to accounts receivable, due from M.C.C.S.S., prepaid expenses, long-term investments, capital assets, accounts payable and accrued liabilities, salary, payroll and part-time vacation payable, full-time vacation and lieu payable and unearned revenue.

These estimates and assumptions are reviewed periodically and as adjustments become necessary they are reported in the periods in which they become known.

### **Cash and Cash Equivalents**

Cash and cash equivalents are represented by deposits and overdraft balances held at Canadian banking institutions.

### **Investments**

All investments are adjusted to fair value at each reporting date with unrealized gains and losses being reported as a change in the current year's statement of operations.

---

## Community Living Kingston and District Notes to Financial Statements

**March 31, 2019**

---

### 1. Cash and Bank

The association's bank accounts are held at one chartered bank. Those bank accounts with an average monthly balance of over \$25,000 earn interest at bank's prime rate less 2.25% and those over \$1,000,000 earn interest at bank's prime rate less 2.00%.

At March 31, 2019, the association had the following credit facilities available:

	2019	2018
US Bank corporate Visa	\$ 223,650	\$ 195,000
RBC revolving demand facility	500,000	500,000
RBC revolving facility available by way of term loans	400,000	400,000
RBC revolving lease line of credit by way of leases	250,000	250,000
	\$ 1,373,650	\$ 1,345,000

The US Bank corporate Visa card is due on demand and bears a delinquency fee of 2.5% of amounts past due, calculated and payable monthly. This credit facility is unsecured.

The RBC revolving demand facility is due on demand and bears interest at the bank's prime rate, calculated and payable monthly. This is secured by a general security agreement covering all assets except real property.

The RBC revolving demand facility by way of Letters of Guarantee includes the following conditions:

- Each issued Letter of Guarantee shall expire on a Business Day and shall have a term of not more than 365 days.
- Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this agreement or the instrument or contract governing same, bear interest at a fee to be quoted at the time of borrowing.

The RBC revolving demand facility by way of term loans and lease line of credit specific repayment terms will be determined at the time of borrowing but has a maximum repayment term of six years and will bear interest at bank prime plus 0.5%.

## Community Living Kingston and District Notes to Financial Statements

March 31, 2019

### 2. Long-term Investments

	2019	2018
CIBC Wood Gundy's Asset Advantage Account		
Investments	\$ 841,186	\$ 852,066
Less: Current investments maturing within 12 months	(254,380)	(138,000)
Less: Cash balance	(1,214)	(55,694)
Long-term investments	\$ 585,592	\$ 658,372

Investments are comprised of bonds and government investment certificates (GICs) with effective interest rates of 1.70% to 3.20% (2018 - 1.70% to 2.75%). Interest is receivable on a monthly, semi-annual, annual and maturity basis with various maturity dates no later than May, 2023.

The CIBC Wood Gundy's Asset Advantage Account has an authorized margin account limit of up to 99% of the market value of the investments held within the account, due on demand and bears interest at bank's prime rate plus 0.75% (interest rate is determined by both Investment Dealers Association of Canada Regulations and CIBC Wood Gundy internal "house" policies), calculated and payable monthly. This credit facility is secured by the investments held within the account.

### 3. Capital Assets

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 629,266	\$ -	\$ 629,266	\$ 629,266
Buildings	3,968,735	2,046,322	1,922,413	1,823,370
Vehicles	1,458,010	461,219	996,791	625,057
Equipment	1,007,263	604,436	402,827	217,746
Computer software	200,636	200,636	-	14,246
Leasehold improvements	1,226,909	195,553	1,031,356	878,257
	\$ 8,490,819	\$ 3,508,166	\$ 4,982,653	\$ 4,187,942

During the year, capital assets were acquired at an aggregate cost of \$1,292,886 (2018 - \$1,220,758) paid in cash.

---

## Community Living Kingston and District Notes to Financial Statements

March 31, 2019

---

#### 4. Salary, Payroll and Part-Time Vacation Payable

Of the \$810,642 in salary, payroll and part-time vacation payable reported on the Statement of Financial Position, \$213,632 is due to the Canada Revenue Agency in the form of source deductions including EI, CPP and income taxes.

---

#### 5. Full-time Vacation and Lieu Payable

The M.C.C.S.S. does not recognize vacation and lieu payable as an expense unless the amounts are paid to employees within one month after year-end. The excess amount of \$573,699 (2018 - \$612,074) has been recorded as a liability of the association as at March 31, 2019. It is management's opinion that if the vacation and lieu payable is paid out in future years the liability would be funded by the M.C.C.S.S. at the time of payment. Management has not recognized this amount of potential funding as an asset because it is only receivable when payment is made.

---

#### 6. Deferred Contributions Related to Capital Assets

Deferred contributions reported in the Capital Fund include the unamortized portions of contributed capital assets and restricted contributions, including forgivable loans, with which some of the association's assets were originally purchased. The changes for the year in the deferred contributions reported in the Capital Fund are as follows:

	2019	2018
<b>Balance, beginning of year</b>	<b>\$ 1,027,202</b>	<b>\$ 1,118,547</b>
M.C.C.S.S. - Sprinkler installs	159,105	-
Amounts recognized as amortization of deferred contribution for the year	(96,973)	(91,345)
<b>Balance, end of year</b>	<b>\$ 1,089,334</b>	<b>\$ 1,027,202</b>

The deferred contributions related to capital assets, excluding forgivable CMHC loans, are amortized in future years at the same rate as the amortization of the related assets.

---

#### 7. Inter-fund Transfer

During the year, the Board of Directors approved a transfer of \$3,604,669 from the Program Fund and a transfer of \$1,155,394 from the Association Fund, to the Capital Fund.

---

## Community Living Kingston and District Notes to Financial Statements

**March 31, 2019**

---

### 8. Commitments

The association has annual rental commitments for equipment as well as office and operations facilities expiring no later than September 2028.

The minimum annual lease payments before HST for the next five years and thereafter are as follows:

2020	\$	364,979			
2021		367,804			
2022		359,914			
2023		299,857			
2024		251,750			
Thereafter		643,693			
		\$ 2,287,997			

---

### 9. Re-allocation of Administration Expenditures

Administration expenditures are re-allocated between the Program Fund, Association Fund and Child Care Fund proportionate to their share of actual expenditures. The Child Care Fund allocation is capped at a maximum of \$32,772 per budget approval from the City of Kingston.

	2019	2018
Program Fund	95.0 %	93.1 %
Association Fund	3.3 %	3.4 %
Child Care Fund	1.7 %	3.5 %
	100.0 %	100.0 %

---

### 10. Cash and Cash Equivalents

Cash and cash equivalents can be broken down as follows:

	Program Fund	Capital Fund	Association Fund	Child Care Fund	2019	2018
<b>Represented by:</b>						
Cash and bank	\$ 630,600	\$ -	\$ 729,015	\$ -	\$ 1,359,615	\$ 1,201,195
Cash and bank - Investments	-	-	1,214	-	1,214	-
	\$ 630,600	\$ -	\$ 730,229	\$ -	\$ 1,360,829	\$ 1,256,889



---

## Community Living Kingston and District Notes to Financial Statements

March 31, 2019

---

### 11. Financial Instruments

Financial instruments are financial assets or liabilities of the association where, in general, the association has the right to receive cash or another financial asset from another party or the association has the obligation to pay another party cash or other financial asset.

Financial instruments consist of cash and bank, accounts receivable, due from M.C.C.S.S., investments, accounts payable and accrued liabilities, salary, payroll and part-time vacation payable, full-time vacation and lieu payable and long-term debt.

The association initially recognized its financial instruments at fair value and subsequently measure them at amortized cost, with the exception of investments which are subsequently measured at fair value.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

As a result of holding financial instruments, the association is exposed to investment risk, market risk and interest rate risk. The following is a description of those risks and how the association manages its exposure to them.

#### *Investment Risk Management*

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate and market risk.

The association mitigates these risks with an investment policy designed to limit exposure and concentration while achieving optimal return within reasonable risk tolerances. The policy limits investments to bonds or guaranteed investment certificates and any bond purchased must be rated by the Standard and Poor's bond rating service as at least "A" and 60% of the total bond portfolio at any one time must be rated at least "AA" or "AAA".

#### *Market and Interest Rate Risk*

The risks associated with the investments are the risks associated with the securities in which the funds are invested. The value of equity securities changes with stock market conditions, which are affected by general economic and market conditions. The value of securities will vary with developments within the specific companies or governments which issue the securities. The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

---

### 12. Financial Statement Presentation

In some instances, comparative figures have been reclassified in order to comply with current year's presentation.