TCE

Total Communication Environment

MAKING CONNECTIONS FOR LIFE

2016/2017ANNUAL REPORT

TOTAL COMMUNICATION ENVIRONMENT

2016/2017 ANNUAL REPORT

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TCE MISSION STATEMENT

TCE believes that all people, including those with disabilities and augmented communication needs, have the right to live as active members of their community.

TCE facilitates and assists each person by providing supports and opportunities to become involved as full community members and to actualize their potential.

TCE envisions a community which welcomes its members, not in spite of their differences, but to celebrate these and to appreciate the contributions of all its citizenship.

TCE BOARD OF DIRECTORS

June 20, 2016 AGM to June 19, 2017 AGM

Candice Presley, Chairperson
Moriah Waddington, Treasurer
Coreen Blackburn, FSN Representative
Aline Abi-Khalil
Amanda Iannaccio
Clark Lindsay
Lacey (Qing) Sheng
Nicholas Wilson
Susan Seally
Terry Fahey
Xue (Poppy) Rui

TOTAL COMMUNICATION ENVIRONMENT
CHAIR REPORT - JUNE 19, 2017

TCE has had another very busy and successful year. As Chair of the Board, I would like to thank the Board and Staff for their dedication and on-going support.

I continue to be amazed by the dedication and thoughtfulness of the Board. They are committed volunteers whose insights and guidance make my position as Chair an easy one. This year, all Board members are continuing their term or beginning another one. One new person will be joining us this year and we are looking forward to continuing our work.

This year, the Board worked with the Management team to develop the Strategic Plan that is included in your package tonight. The Board is very committed to this plan and is looking forward to working with staff to achieve the goals. We understand that the landscape of TCE's work is changing. We are pleased that TCE is at the forefront of these changes; always ensuring the best interests of the people that form the TCE family. This plan grew from the contributions of staff and management. We are blessed with staff that truly see their work as much more than a job. Their commitment and energy is amazing to witness.

Financially, you will see that TCE is managing well despite on-going financial pressures. I know many hours were spent developing the budget while considering every aspect of the organization. The Board is confident that this plan and budget will serve us well in the new year.

It hasn't all been hard work though! I hope you have been following TCE on Facebook, and see the fun that everyone has had. The spirit of TCE is reflected in the photos that are shared and it makes me so proud to be a part of it.

In closing, I'd like to congratulate everyone for their contribution in making sure that TCE has another productive and eventful year.

We hope to see you all at the annual Douglas J. Fahey Memorial BBQ this summer.

Candice Presley
Chairperson

TOTAL COMMUNICATION ENVIRONMENT
EXECUTIVE DIRECTOR'S ANNUAL REPORT
APRIL 1, 2016 – MARCH 31, 2017

The past fiscal year has been filled with a lot of activity at every level of the organization and within our developmental services community within Ottawa and the province of Ontario.

As a developmental services organization funded by the Ontario government, TCE along with other transfer payment agencies are moving more and more toward a system of transparency and accountability for the services we provide by measuring our performance. First and foremost, we are interested in knowing what the impact or outcomes are for the people we support. Put another way, do the services we provide support the individuals to realize their own goals and improve their quality of life? To this end, TCE volunteered to participate in a pilot project 'A Survey of Personal Outcomes for Developmental Services and Supports'. We will be adopting Outcome Measures as a way of measuring success in how we support people over the coming year.

The Ministry is about to release a Performance Measurement Framework with indicators that will measure an organization's effectiveness annually. Next year in our Annual Report, we will be reporting on a number of different metrics and how that relates to the quality of life for the people we support. In the meantime, there are many great anecdotal stories of how people living at TCE are achieving their goals and dreams, big and small. Many of these can be found on our Facebook page and on our website blog.

There are a number of reports released this year that provide insight into how TCE is performing as a service provider in meeting our mission.

Consumer Survey: This was the first year we undertook a consumer survey and it was a great learning opportunity. Some of the people we support are able to provide feedback while others require an individualized approach and consultation with those who know the individual best. What we learned was that the tool and the process weren't as effective as we hoped and as a result we will be adjusting for this coming year.

Family & Friends Survey: The updated survey results can be found at www.tceottawa.org. We had a 48% (or 24 responses from the 50 surveys mailed). Of the completed surveys, 88% of respondents were satisfied or very satisfied with TCE's services.

Quality Assurance Measures Compliance Review (MCSS): Each year the Compliance Review branch of MCSS undertakes an inspection of our organization, focusing on one particular program stream i.e. residential, community participation or homeshare. There are 280 indicators covering a very broad range of topics which are reviewed, all of which have a direct impact on the people we support. TCE received an excellent result with only 8 minor issues (4 of which related to one issue). All were resolved within a week. Our letter of compliance is posted at the entrance to our administration building.

MCSS Risk Assessment: This year a new risk assessment and process was introduced by MCSS for all transfer payment agencies. It was very comprehensive and covered Governance, Service Delivery, Stakeholder Satisfaction, Finance, Legal, Technology, and Human Resources. We received a rating of Low (risk) on all domains of the Risk Assessment and will not be required to undertake another for three years.

Service:	Number of People Supported:	Location/Description:
Residential	78	14 different sites, mix of houses, multi-unit sites (non-profit housing providers), apartments
Community Participation/Day/Employment/Social Enterprise	46	5 sites (increase of one); 4 home-based and one central drop in/gathering place.
Outreach to Long-term Care	12	Five different sites from west to the east end of Ottawa
Home Share	2	Two long-standing home share arrangements.

Employee Position:	April 2016:	April 2017:
Work Crew	3	3
Call In	13	14
Part-time	95	99
Full-time	54	52
Administration	4	4
Program Supervisors	8	8
Management	4	4
TOTAL	**181**	**184**

Employees	April 2015 – March 2016	April 2016 – March 2017
Hired	23	12
Left	12	9
Turnover Rate	6.6%	4.89%

Challenges:

Individuals with developmental disabilities and their families continue to wait on long lists for desperately needed supports and services across the province. It is estimated that there are 14,000 individuals on the waiting list in Ontario. Despite new funding announcements with new investments in individualized 'passport' funding and multi-year dollars for new beds, it is never enough to meet all of the needs.

Organizations in our sector have struggled since 2009 with zero budget increases and in TCE's case, a pay equity plan which requires a 1% increase to salaries each year from our existing budget. This unfunded financial burden has put pressure on our organization as we seek ways to reduce costs without impacting people's quality of life.

Opportunities:

At the provincial level, MCSS continues to introduce improvements to the developmental services system in partnership with families, individuals and service providers. Some examples are:

- ReportOn
- Performance Management Framework
- Consistent guidelines for community planning tables and urgent response
- Continuing work of the Housing Task Force
- Expansion of 'passport funding'

For more information on the significant improvements and changes please check the Ministry's regular newsletter 'Spotlight' at http://www.mcss.gov.on.ca/en/mcss/publications/spotlight.aspx

The Ministry of Community and Social Services continues to be a supportive partner to TCE. We were fortunate to receive one-time funding at year-end to offset some of our pressures. We were also pleased to welcome our new Program Supervisor, Kim Seguin last fall.

A great deal of time and effort was spent by the management team this year on the collection and analysis of data about the people we support and what we know about those who will need our services in the future. This translated into information for the Board of Directors and fed into the strategic planning process. A summary of our new Strategic Plan can be found on our website.

Crew Cuts, the social enterprise which employs 3 individuals for lawn care, landscaping and small repairs is thriving. In fact, recently they have added a new member to their crew as their workload has increased.

Another endeavor which is new in the past year is a great fundraising and work opportunity. TCE has partnered with Lansdowne and the Redblacks to collect beer cans at their games. The sorting and recycling is performed by crew cuts with proceeds shared by the team collecting cans at the game (home/program sponsored) and crew cuts.

The Ottawa Developmental Services Network is proud of our collaborative efforts this year. We held a joint conference for employees of all areas of our organizations about person-directed supports and transformation. We also submitted a joint grant proposal to the Ministry for more in depth sustainable training which will allow organizations to support employees in new skill development. This two year proposal was approved and training will commence in September.

We often hear that necessity is the mother of invention and we have found that to be true. Over the years, belt-tightening has squeezed any discretionary spending out of our budget. This did not fit well with how we viewed our mission. Thus, the idea of developing a special fund was born to try and fundraise for 'joy inducing and life enhancing' experiences or purchases. The idea has sparked the imagination of our generous donors who have wholeheartedly supported the idea. Twice a year a call for proposals goes out and there have been many creative, wonderful activities and purchases approved. Just to list a few: festival tickets, Redblacks and fury games, new dream bedrooms, magazine subscriptions, a reunion with a family member, support for a retirement program, yoga classes, gym memberships, spring baseball training camp in Florida, fun trips trip, hydrotherapy, a makeover, physiotherapy, music lessons, hip hop class, sensory equipment for snoezelen room…. and the list goes on.

At the beginning of my report I referred to outcomes for people. There have been many terrific examples of positive outcomes for the people we support this year. We witnessed our first wedding and a first ride on an escalator; a new job and sense of worth; and someone's health maintained after a year of hospitalizations. Successful outcomes are unique to each and every person, all of whom are valued and supported here.

Karen Belyea
Executive Director

FAMILY SUPPORT NETWORK (FSN)
REPORT TO THE JUNE 19, 2017 ANNUAL GENERAL MEETING

This report covers activities which have taken place since our last Annual General Meeting on June 20th, 2016.

Douglas Joseph Fahey Memorial BBQ

The Annual BBQ/Picnic was held on Saturday, August 27th, 2016 at the Green Gazebo at Andrew Haydon Park. It was a glorious day and we had a big turnout. Entertainment by Jumpin' Jimmy Leroux was enjoyed by all with much clapping, dancing and rhythm instruments well played. Altogether a great day!!

Thanks to all who made the event possible, especially to the Fabulous Fahey Family, who again did a superb job on providing the BBQ. The balloon animals were also appreciated, as was the coffee, cake and donuts. Special thanks to Lorena Duncan for booking the Green Gazebo for our event.

This year's Memorial BBQ will take place at Andrew Haydon Park on Saturday, August 26th at 11am. Come at 9am if you want to help set up. Remember to bring your lawn chairs.

November, 2016 FSN Meeting

Due to a series of unfortunate events, notices did not go out as usual and the meeting did not take place.

Christmas Parties

Christmas Parties were held for all residences and Santa did a great job of distributing gifts. The FSN bank account did not have sufficient funds to cover the cost of the gifts, as we usually do, so funds were found elsewhere.

April 4, 2017 FSN Meeting and Pot Luck

The fourth annual Pot Luck meeting was enjoyed by 12 members.

In the absence of the chairperson, Mary Chatfield, the business meeting which followed was chaired by Karen Belyea, who gave an extensive report on happenings at TCE, which included a FSN financial report. The bank balance as at April 4 /17 is $612.24.

Discussion was held as to how to get the next generation of siblings and other family members involved in TCE. A small committee will be set up to brainstorm ideas to engage people, perhaps through social media. Christopher Wilson and Marge McCabe expressed interest in being on this committee. Any other volunteers are welcome.

Coreen Blackburn was voted in as the FSN Rep to the TCE Board for another year.

The fall meeting of the FSN is scheduled for Tuesday, October 24th at the TCE offices. All are welcome.

Coreen Blackburn, FSN Rep to the TCE Board

TOTAL COMMUNICATION ENVIRONMENT
TREASURER'S REPORT FOR 2016-2017

As the Treasurer for TCE, I am pleased to present the audited financial statements for the 2016-17 fiscal year. The statements have been included at the end of this report.

The statements were audited by KPMG for the third year in a row. I am happy to report that the auditor's opinion was clean, with no significant errors or issues noted.

Over the past year, the Finance committee met with the Executive Director (Karen Belyea) and the Director of Finance (Don Davidson) every month to discuss the previous month's financial results. We reviewed the financial statements in detail and discussed variances against budget and significant developments that had a financial impact. We were fortunate to welcome to the Finance committee a new member, Aline Abi-Khalil, who is an experienced accountant.

It was another challenging year of financial pressures, but thanks to additional funding from the Ministry and effective cost-controlling measures, TCE was able to cover its expenses and ended the year with only a small deficiency of $1,410.

Turning to the Statement of Operations, you will see that both revenues and expenses increased slightly. Revenues rose by $178k (1.5%) due to an increase in funding from the Ministry of Community and Social Services (MCSS). In particular, the Ministry provided more funding than last year for minor capital projects, the capital reserve and unanticipated resident-related costs.

Expenses increased by $212k (1.7%) due to an increase of $339k in salaries and benefits, partially offset by decreases in most of the other expense types. The increase in salaries and benefits presented the largest financial challenge. It was attributable to various factors: salary increases due to pay equity legislation, costs related to hospital stays and residents' medical needs, and higher-than-expected costs related to workers' compensation and health benefits. Among the other expense types, the largest decrease was in personal needs ($75k / 11.9%). This was caused by lower special fund-related purchases and savings that resulted from a change in placement for a resident.

On the Statement of Financial Position, you can see the assets owned by TCE and the liabilities it will have to pay in the future. On the liability side, long term debt (including both the current and long-term portion) has decreased by $486k (66%). In a wonderful development, MCSS repaid the outstanding balance on the Starwood house mortgage in March 2017, which decreased debt by $449k and will decrease mortgage expense in future years. The rest of the decrease is due to the regular repayment of mortgage principal through monthly payments.

“Deferred funding related to capital assets” represents funding provided for the purchase of specific capital assets or the discharging of liabilities related to those assets. This funding is recognized in the Statement of Operations over multiple years as the related asset is amortized. This balance increased by $560k due to MCSS paying out the mortgage on Starwood house, as well as MCSS and private funding provided for capital asset acquisitions at Riverbend, Hillmount and Wyman (described below).

Capital assets increased by $90k due to $246k of acquisitions offset by amortization of $156k. The acquisitions included an addition/renovation to the Riverbend house which provided more living and eating space for residents and improved the backyard. There was also a foundation repair at Hillmount and improvements to bathroom accessibility at Wyman.

TCE continues to face financial challenges, with the main factors being the continuing lack of increases to base funding, the lack of funding for the pay equity salary increases and the increasing salary costs related to residents’ medical problems. Over the last few years, we have been fortunate to receive some additional funding from MCSS at the end of the year to cover some unexpected costs related to residents. However, this funding is not guaranteed and is difficult to predict. TCE management has also continuously managed to find savings in operating expenses, but this will be more difficult now that most costs have already been reduced. These factors all underscore the need for an innovative strategic plan that challenges the status quo; please refer to the strategic plan section to see what TCE has developed.

Sincerely,

Moriah Waddington, CPA, CA
Treasurer

TCE'S AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2016/2017

Financial Statements of

TOTAL COMMUNICATION ENVIRONMENT

Year ended March 31, 2017

TOTAL COMMUNICATION ENVIRONMENT
Financial Statements

Year ended March 31, 2017

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Total Communication Environment

We have audited the accompanying financial statements of Total Communication Environment, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Total Communication Environment as at March 31, 2017, its results of operations, changes in net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 8, 2017

Ottawa, Canada

TOTAL COMMUNICATION ENVIRONMENT

Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	$ 637,361	$ 555,227
Accounts receivable	69,488	88,521
Prepaid expenses	15,532	6,691
	722,381	650,439
Capital assets (note 2)	4,902,282	4,811,856
	$ 5,624,663	$ 5,462,295
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 629,447	$ 597,475
Government payables	27,712	21,864
Deferred revenue	126,934	74,908
Current portion of long-term debt (note 4)	21,945	46,178
	806,038	740,425
Deferred funding related to capital assets (note 5)	2,748,706	2,188,326
Long-term debt (note 4)	228,769	690,984
Net assets:		
Invested in capital assets	1,902,862	1,886,368
Restricted to capital reserve fund (note 8)	115,604	89,671
Unrestricted	(177,316)	(133,479)
	1,841,150	1,842,560
	$ 5,624,663	$ 5,462,295

See accompanying notes to financial statements.

Approved by the Board:

M Waddington Director

Candice Pray Director

TOTAL COMMUNICATION ENVIRONMENT

Statement of Operations

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
MCSS Legal Agreement	$ 10,890,857	$ 10,831,619
MCSS Supportive Housing Agreement	50,414	50,214
MCSS Minor Capital Funding	131,985	25,746
Residents' fees	984,299	964,000
Donations	170,681	184,497
Other income	4,700	13,320
Amortization of deferred funding related to capital assets	128,034	113,348
	12,360,970	12,182,744
Expenses:		
Salaries and benefits	10,384,907	10,045,683
Home operation	626,055	652,222
Amortization	155,529	154,498
Personal needs	555,039	629,663
General and administration	86,442	92,154
Vehicle operations	265,365	241,178
Long-term care	209,424	217,684
Purchased services	53,177	71,362
Staff travel	26,442	46,336
	12,362,380	12,150,780
Excess (deficiency) of revenue over expenses	$ (1,410)	$ 31,964

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Changes in Net Assets

Year ended March 31, 2017, with comparative information for 2016

	Invested in capital assets	Restricted to capital reserve fund (note 8)	Unrestricted	2017 Total	2016 Total
Balance, beginning of year	$ 1,886,368	$ 89,671	$ (133,479)	$ 1,842,560	$ 1,810,596
Excess (deficiency) of revenue over expenses	–	–	(1,410)	(1,410)	31,964
Acquisition of capital assets	245,955	–	(245,955)	–	–
Amortization of capital assets	(155,529)	–	155,529	–	–
Net decrease in debt principal (note 4)	486,448	–	(486,448)	–	–
Net change in deferred funding related to capital assets	(560,380)	–	560,380	–	–
Interfund transfers	–	25,933	(25,933)	–	–
Balance, end of year	$ 1,902,862	$ 115,604	$ (177,316)	$ 1,841,150	$ 1,842,560

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ (1,410)	$ 31,964
Items not involving cash:		
Amortization of capital assets	155,529	154,498
Amortization of deferred funding relating to capital assets	(128,034)	(113,348)
Changes in non-cash operating working capital:		
Accounts receivable	19,033	16,713
Prepaid expenses	(8,841)	1,412
Accounts payable and accrued liabilities	59,392	(120,089)
Government payable	(21,572)	5,231
Deferred revenue	52,026	4,176
	126,123	(19,443)
Financing activities:		
Repayment of long-term debt	(486,448)	(305,144)
Additional deferred funding of capital assets	688,414	224,295
	201,966	(80,849)
Investing activities:		
Acquisition of capital assets	(245,955)	(126,518)
Increase (decrease) in cash	82,134	(226,810)
Cash, beginning of year	555,227	782,037
Cash, end of year	$ 637,361	$ 555,227

See accompanying notes to financial statements.

Total Communication Environment ("TCE" or the "Organization") was incorporated, without share capital, in November 1979. The Organization's mandate is to provide and maintain residential care facilities and activities for individuals with developmental disabilities and special communication needs. As a registered charitable organization, TCE is not subject to income tax.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook – Accounting and include the following significant accounting policies:

(a) Basis of presentation:

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations.

(b) Revenue recognition:

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or when they become receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital assets:

Capital assets are recorded at cost. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of a capital asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Land and buildings are recorded at cost. Buildings are amortized using the declining balance basis at the rate of 5%. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Vehicles not funded by grants are recorded at cost and amortized using the declining balance basis at the rate of 30% per year.

Office equipment and computer equipment are recorded at cost and amortized on a straight-line basis over five years and three years, respectively.

(d) Capital replacement reserve fund:

The fund is to be used for capital replacement and major repair work. The fund is increased by amounts as approved by the Ministry of Community and Social Services ("MCSS").

(e) Contributed services:

Volunteers contribute many hours each year to assist the Organization in carrying out its mandate. However, due to the difficulty in determining their fair value, these contributed services have not been recognized in the financial statements.

1. Significant accounting policies (continued):

(f) Use of estimates:

The preparation of financial statements 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

2. Capital assets:

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Land	$ 2,560,000	$ –	$ 2,560,000	$ 2,560,000
Baxter House (Golden Avenue residence)	650,026	330,261	319,765	336,595
Eleanor Drive residence	282,643	223,772	58,871	61,969
Wilson House residence	305,002	193,568	111,434	114,223
Quinn Road residence	611,792	301,129	310,663	327,013
Kirkwood Avenue residence	598,186	347,209	250,977	264,187
Hillmount Crescent residence	340,290	159,567	180,723	140,523
Anderson Place residence	97,242	55,127	42,115	44,331
Wyman residence	394,756	188,120	206,636	193,866
Riverbend residence	615,542	224,144	391,398	245,694
Rosebella residence	209,917	80,261	129,656	136,480
Starwood residence	332,865	44,909	287,956	303,112
Leasehold improvements - Kilbarron	116,117	114,351	1,766	2,355
Leasehold improvements - Admin	28,527	14,893	13,634	16,121
Vehicles	76,318	59,553	16,765	23,950
Office equipment	42,108	42,108	–	–
Computer equipment	109,611	89,688	19,923	41,437
	$ 7,370,942	$ 2,468,660	$ 4,902,282	$ 4,811,856

Cost and accumulated amortization at March 31, 2016 amounted to $7,124,987 and $2,313,131, respectively.

2. Capital assets (continued):

The residence at 644 Golden Avenue, an adult group home, was purchased in 1986 with all of the funding provided by the Lion's Homes for Deaf People ("LHDP"). The deed is in the name of TCE, however, TCE has an agreement with LHDP that if TCE ceases to exist, or ceases to operate the Golden Avenue residence as a group home for deaf multi-handicapped persons, the property will be sold with the net proceeds after mortgage repayment used to repay the funding that was provided by CHDP. In 2005, the residence was rebuilt and re-named Baxter House. In 2016, MCSS repaid the outstanding balance on this mortgage as part of their funding to TCE.

The residence at 16 Eleanor Drive, an adult group home, was purchased in 1989 with all of the funding provided by MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, all proceeds from sale will be repaid to MCSS.

The residence at 5 Eisenhower Crescent (Wilson House), an adult group home, was purchased in 1992 with 80% of the funding provided by MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, 80% of the proceeds from its sale will be repaid to MCSS.

The residence at 2785 Quinn Road, an adult group home, was acquired by way of mortgage financing with assistance from the Ministry of Housing ("MOH"). In 2000, Quinn Road funding was transferred to MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, proceeds from its sale will repay the mortgage holder, with remaining funds paid to MCSS.

The residence at 575 Kirkwood Avenue, an adult group home, was purchased in 1996 with all of the funding provided by the LHDP. The deed is in the name of TCE, however, should TCE cease to exist or cease to operate the residence as a group home for deaf multi-handicapped persons, the property will be sold with all the proceeds from sale returned to the LHDP. During the 2011 fiscal year, additional funding for improvements was received from the Canada Mortgage and Housing Corporation ("CMHC") in the form of a forgivable loan.

The residence at 24 Hillmount Crescent, an adult group home, was purchased in 1999 with all of the funding provided by MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, all proceeds from sale will be repaid to MCSS. During the 2011 fiscal year, additional funding for improvements was received from CMHC in the form of a forgivable loan.

The residence at 42 Leeming Road (Anderson Place), an adult group home, was acquired by way of mortgage financing with assistance from MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, proceeds from its sale will repay the mortgage holder, with all of the remaining funds to be paid to MCSS.

2. Capital assets (continued):

The residence at 3554 Wyman Crescent, an adult group home, was purchased in 2005 with all of the funding provided by MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, all of the proceeds from sale will be repaid to MCSS. In 2014, MCSS repaid the outstanding balance on this mortgage in full as part of their funding of TCE.

Land on Riverbend Drive was purchased in the 2008 fiscal year with all of the funding provided by MCSS. The Organization constructed a home at this site which opened in December 2008 as an adult group home. Almost all of the cost of construction was funded by MCSS. Should the Riverbend residence cease to be used as a group home, all of the proceeds from sale will be paid to MCSS less the Organization's initial contribution.

The residence at 1838 Rosebella Avenue, an adult group home, was purchased during the 2009 fiscal year with all of the funding provided by MCSS. The deed is in the name of TCE, however, should the residence cease to operate as a group home, proceeds from its sale will be repaid to MCSS. In 2014, MCSS repaid the outstanding balance on this mortgage in full as part of their funding of TCE.

The residence at 75 Starwood, an adult group home, was purchased in 2014 by way of a mortgage agreement. Funding for payments is provided by MCSS. The deed is in the name of TCE, however, should the residence cease to be operated as a group home, all proceeds from sale will be paid to MCSS. In 2017, MCSS repaid the outstanding balance on this mortgage as part of their funding to TCE.

3. Financial instruments:

The Organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and mortgages payable. The book values of the cash, accounts receivable, accounts payable and accrued liabilities, and mortgages payable approximate their fair values due to their short-term nature. It is management's opinion that the Organization is not exposed to significant interest, credit or exchange rate risks.

4. Long-term debt:

	2017	2016
Anderson Place mortgage payable at $823 monthly including interest at 2.18 %, due September 1, 2019.	$ 60,171	$ 68,700
Quinn Road mortgage payable at $1,343 monthly including interest at 1.568%, due April 1, 2020.	190,543	208,795
Starwood mortgage payable at $2,052 monthly including interest at 3.56%, due March 1, 2020	–	459,667
	250,714	737,162
Less: current portion of long-term debt	21,945	46,178
	$ 228,769	$ 690,984

Principal repayments required over the next five years are as follows:

2018	$ 21,945
2019	22,344
2020	56,200
2021	150,225
2022 and thereafter	–
	$ 250,714

7. Contract with the Ministry of Community and Social Services:

A requirement of the contract with MCSS is the production, by management, of a Transfer Payment Annual Reconciliation ("TPAR") which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the contract. The surplus for the March 2017 year end after authorized code allocations amounted to $15,458 payable to MCSS (2016 - $12,254).

8. Capital reserve fund:

Under the terms of its funding agreement with MCSS for the Quinn Road and Leeming Road residences, TCE is required to set aside certain funds each year as a reserve. This year an amount of $25,933 (2016 - $8,876) was added.

9. Commitments:

TCE has annual premises, office equipment and vehicle lease commitments over the next five years as follows:

2018	$ 239,311
2019	170,726
2020	122,110
2021	67,491
2022	622
	$ 600,260

10. Economic dependence:

The Organization receives the majority of its revenue from the Ministry of Community and Social Services. In management's opinion, the Organization's continued operations are dependent on the continuance of this funding.

11. Comparative information:

Certain 2016 comparative information has been reclassified to conform with the financial statement presentation adopted for 2017.

TCE

Total Communication Environment

Homes for individuals with multiple disabilities and special communication needs.

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