TCE

Total Communication Environment

MAKING CONNECTIONS FOR LIFE

2017/2018ANNUAL REPORT

TOTAL COMMUNICATION ENVIRONMENT

2017/2018 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 19, 2017 AGM to June 18, 2018 AGM

Candice Presley, Chairperson

Moriah Waddington, Treasurer

Coreen Blackburn, FSN Representative

Aline Abi-Khalil

Amanda Iannaccio, until May 28, 2018

Clark Lindsay

Lacey (Qing) Sheng

Nicholas Wilson, until February 28, 2018

Susan Seally

Terry Fahey, until September 25, 2017

Xue (Poppy) Rui

Christopher Wilson, as of April 30, 2018

TOTAL COMMUNICATION ENVIRONMENT

CHAIR REPORT - JUNE 18, 2018

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, two valued Board members completed their terms. We thank them for their service and wish them well in their new adventures. Three new Board members are joining us this year, and we are looking forward to continuing our work. As each Board member introduces themselves at the AGM, I'm sure you'll see they bring a wealth of experience and a variety of backgrounds to the table.

This year, the Board continued to work with the Management team to implement the Strategic Plan as well as develop governance strategies and ensure our obligations were met. The Board continues to be very committed and is looking forward to working with staff to achieve our goals. The staff at TCE continues to provide a valuable service to so many people and this is due to the committed staff at every level of the organization. The leadership of DJ and Karen sets a tone that makes us all want to offer our best efforts.

Financially, you will see that TCE is continuing to manage well despite on-going financial pressures. There have been a few changes in funding that our Treasurer will go over in her report. The Board is confident that these changes are being incorporated by our amazing Management team and the budget will serve us well in the new year.

In closing, I'd like to congratulate everyone for their contribution in making sure that TCE has another productive and eventful year. I have enjoyed being part of the Board over the last 10 years and leave it in very capable hands as I move to an ex-officio role. Thank you for all your support.

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

Candice Presley
Chairperson

TOTAL COMMUNICATION ENVIRONMENT
DIRECTOR OF OPERATIONS ANNUAL REPORT
APRIL 1, 2017 – MARCH 31, 2018

The 2017-2018 fiscal year was extremely eventful with activities at all levels of the organization as well as within Ottawa's and the Province of Ontario's developmental services communities. We have witnessed many changes with the people we support. A number of individuals have seen a decline in their cognitive and physical abilities. Dementia is providing numerous challenges with the supports we provide to several of our individuals, especially those with Down syndrome. We, with our dedicated staff and resources from the greater community, continue to find creative ways to address the issues as they present themselves.

We have had very sad and difficult times this past year as we said goodbye to some dearly loved residents including, David Bradbury of Wilson House, John Bohart of Riverbend, Ronald Charbonneau of Madonna LTC, and Ruth Blois, who was able to stay at home until the end with the support of the local palliative care team and the staff team at Rosebella. They were such incredible people in their own right and have left this world and all those whose lives they touched, better for it. We'll always remember them.

MCSS Quality Assurance Measures Compliance Reviews:

Each year the Compliance Review branch of the Ministry of Community and Social Services (MCSS) undertakes an inspection of our organization, focusing on one particular program stream i.e. residential, community participation or home share. 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. We are pleased to report that TCE had zero non compliance. There was only one other agency in the province that received the same evaluation last year.

Minor Capital:

TCE submits annual requests to MCSS for Minor Capital to maintain our homes. Over the past year we received approx $250,000.00 which enabled, for example, new kitchens at Anderson and Rosebella; Quinn's septic; driveway repairs; roofs; updated insulation and replacement of windows and doors. In 2018-2019 we are requesting funds to meet Fire Code requirements to install sprinklers in our homes. We have been very fortunate over the years to have received additional support for year-end financial pressures and we are continually grateful for the relationship that we have with our MCSS Program Supervisor.

What's Happening at TCE:

New Social Enterprise TCE Laundry Crew: For a number of years TCE partnered with Laundry Matters Co-op under the umbrella of Families Matter Co-op (FMC) to provide laundry services at St. Vincent's hospital. A decision was made by FMC early this summer to no longer continue with the laundry service. As a result, TCE decided to take this on as we were already on site with job coaches and workers.

We work on-site once a week utilizing St. Vincent's facilities, providing laundry services to individuals who contract directly with us. The worker picks up laundry from the resident's room and returns it clean and folded the same day. In some cases we also put it away for the resident. A fee per load is charged and a billing agreement is made individually with each resident and/or their substitute decision maker. We already have twelve clients and the service is growing. This small social enterprise will support itself and pay the workers minimum wage.

The past year has been a fun filled year for many with a wide variety of participation in community events and activities.
We are thankful to the many staff and program supervisors who plan and arrange numerous wonderful opportunities for community involvement.

As in previous years, the people we support have enjoyed and will continue to enjoy many of their favorite activities and events such as: attending Ottawa Senators games, Redblacks games, Blues Fest and a variety of other music festivals. Day trips to the sugar bush and Upper Canada Village remain a favorite and those who like fishing also had several opportunities to go whereas others continue to prefer annual events like Wrestle Mania, Monster Trucks, car shows and Comic Con.

Additionally, this year saw:

- Jean from Kirkwood joining TCE's work crew
- The success of the smaller Colonnade Community Program at Quinn for 3 individuals.
- Continued success of small businesses at TCE's Community Programs
- Community Programs touring the city for new and fun events

We always try to include the items that are important to the individuals we support and are pleased with the activities that continue to take place.

TCE is quite fortunate to have the Special fund available again this year to assist in providing many exciting adventures.

Person-Centred Thinking and Practices Project (PCT)

The Ottawa developmental services sector project which is funded through an Employment and Modernization Fund grant is underway. Each of the 12 organizations was required to select two individuals to be the leads for their organization. TCE selected one program supervisor and one direct service employee to work as a team. This training will eventually engage all levels of the organization over the life of the project (Summer 2017 – March 2019) and will become part of our regular training and orientation. Jackie Power, Program Supervisor and Lindsay McGee, Full-time Residential Counsellor are the agency's leads in this project.

Making Connections:
Thanks to Loraine Downey, a long-time employee at Wilson House, this year the Osgoode Family Ball Tournament chose TCE as one of its recipient charities to receive the proceeds of their fundraising efforts. The ball tournament took place in August and on Monday, October 16th we were presented with $9,200 from the organizers. These funds will be earmarked for special projects.

TCE is also thankful for another successful fundraising season at Ottawa Redblacks games. Funds raised by collecting and recycling beer cans are used to support activities and purchases for TCE homes and programs.

Moving into the Future:

In order to streamline our Human Resources needs, this past March TCE purchased Inclusion System which is an HRIS (Human Resources Information System). It provides us with user friendly software that simplifies scheduling, shift distribution, time keeping, payroll, file management, and reporting. The finance and management teams began training in April and have been working towards learning all of the ins and outs of the system. We are aiming to begin employee training this summer with hopes of achieving full implementation by the fall.

I would like to take this opportunity to express our sincere appreciation to our Program Supervisors, direct service staff and our administrative team. Their professional dedication and compassionate care to the people receiving support has been tremendous.

D.J. McDonald
Director of Operations

FAMILY SUPPORT NETWORK (FSN)
REPORT TO THE JUNE 18, 2018 ANNUAL GENERAL MEETING

This report covers activities which have taken place since our last Annual General Meeting on June 19th, 2017.

Douglas Joseph Fahey Memorial BBQ

The Annual BBQ/Picnic was held on Saturday, August 26th, 2017 at the Green Gazebo at Andrew Haydon Park. The weatherman cooperated again and we had a big crowd which enjoyed the music of Arlene Quinn, balloon animals and all the good food!

Thanks to all who made the event possible, especially to the Fabulous Fahey Family, who again did a superb job of providing the BBQ. Thanks also to the folks who provided 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 25th at 11am.

Come at 9am if you'd like to help set up.

Remember to bring your lawn chairs.

October 24, 2017 FSN Meeting

There were 15 people present. Mary Chatfield chaired the meeting and Karen Belyea reported on the Special Fund, Minor Capital grants and that TCE had a 100% excellent compliance review this year. Congratulations to all staff for a great result!

Christmas Parties

Christmas Parties were held for all residences and Santa made his way through weather and traffic to visit each one. The FSN bank account again did not have sufficient funds to cover the cost of the gifts, as we usually do, so funds were found elsewhere.

April 17, 2018 FSN Meeting and Pot Luck

The fifth annual Pot Luck meeting was enjoyed by 10 members.

Mary Chatfield chaired the meeting and Karen Belyea, gave a written report and answered questions on happenings at TCE, which included a FSN financial report. The bank balance as at April 17, 2018 is $1,152.24.

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 23rd at 7pm at the TCE offices. All are welcome and we encourage family members and friends to join us in supporting the people who are cared for by TCE.

Coreen Blackburn, FSN Rep to the TCE Board

TOTAL COMMUNICATION ENVIRONMENT
TREASURER'S REPORT FOR 2017-2018

As the Treasurer for TCE, I am pleased to present the audited financial statements for the 2017-18 fiscal year. The statements have been included at the end of this report.

The statements were audited by KPMG for the fourth 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. The committee welcomed a new member, Lacey Sheng, who has been a great addition.

It was a fairly typical year for TCE, with most revenues and expenses staying similar to last year. TCE continued to deal with pressures in the salaries and benefits expense, but once again received funding at year-end from the Ministry to cover many of them. The end result was an increase in net assets of $82k.

Revenues increased by $25k (0.2%). The Ministry of Community and Social Services (MCSS) provided new funding for costs related to Bill 148 (the *Fair Workplaces, Better Jobs Act*) and allowed TCE to retain unused minor capital funding from the previous year. However, the increase in MCSS funding was partially offset by lower donations.

Expenses decreased by $58k (0.5%), mainly due to fewer residents in long-term care and the payout of the Starwood mortgage at the end of the previous fiscal year. Salaries and benefits stayed almost constant, but this was driven by numerous pressures and savings that offset each other. The main pressures were salary increases due to pay equity legislation, a negotiated stipend paid to all employees, two more statutory holidays in the year and costs related to Bill 148. The main sources of savings were some identified efficiencies in staffing levels (which had a minimal impact on residents) and lower costs for hospital stays and residents' medical needs.

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. Most of the fluctuations from year to year are typical and caused by timing rather than meaningful changes in TCE's operations. For example, if a pay date falls right before year-end, the ending cash balance will be quite a bit lower. The balances for capital assets and the related deferred funding decrease in a systematic way over time as the amounts are recognized on the Statement of Operations. This year, long term debt (including both the current and long-term portion) has decreased by $22k (8.8%) due to mortgage payments. TCE has only two mortgages left, on the Quinn Road and Anderson Place homes.

In last year's report, I noted TCE's main financial challenges: a continuing lack of increases to base funding, a lack of funding for the pay equity salary increases and increasing salary costs related to residents' medical problems. While the latter two factors continue to apply, I am happy to say that shortly before year-end, the provincial government announced an increase in base funding for the first time in many years. This new funding will appear in next year's financial statements, and it will be important to ensure that it is allocated thoughtfully and in a way that contributes to TCE's long-term success.

Sincerely,

Moriah Waddington, CPA, CA
Treasurer

TCE'S AUDITED FINANCIAL STATEMENTS
FISCAL YEAR 2017/2018

Financial Statements of

TOTAL COMMUNICATION ENVIRONMENT

Year ended March 31, 2018

TOTAL COMMUNICATION ENVIRONMENT

Financial Statements

Year ended March 31, 2018

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, 2018, 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.

KPMG

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Total Communication Environment as at March 31, 2018, 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

Ottawa, Canada

June 12, 2018

TOTAL COMMUNICATION ENVIRONMENT

Statement of Financial Position

March 31, 2018, with comparative information for 2017

	2018	2017
Assets		
Current assets:		
Cash	$ 498,209	$ 637,361
Accounts receivable	141,714	69,488
Prepaid expenses	21,164	15,532
	661,087	722,381
Capital assets (note 2)	4,858,615	4,902,282
	$ 5,519,702	$ 5,624,663
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 662,567	$ 629,447
Government payables	–	27,712
Deferred revenue	76,819	126,934
Current portion of long-term debt (note 4)	22,343	21,945
	761,729	806,038
Deferred funding related to capital assets (note 5)	2,628,580	2,748,706
Long-term debt (note 4)	206,426	228,769
Net assets:		
Invested in capital assets	2,001,266	1,902,862
Restricted to capital reserve fund (note 8)	101,930	115,604
Unrestricted deficiency	(180,229)	(177,316)
	1,922,967	1,841,150
	$ 5,519,702	$ 5,624,663

See accompanying notes to financial statements.

Approved by the Board:

Director

Director

TOTAL COMMUNICATION ENVIRONMENT

Statement of Operations

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
MCSS Legal Agreement	$ 10,920,057	$ 10,890,857
MCSS Supportive Housing Agreement	104,877	50,414
MCSS Minor Capital Funding	109,890	131,985
Residents' fees	964,822	984,299
Donations	138,606	170,681
Other income	4,528	4,700
Amortization of deferred funding related to capital assets	143,235	128,034
	12,386,015	12,360,970
Expenses:		
Salaries and benefits	10,386,913	10,384,907
Home operation	589,296	626,055
Amortization	156,119	155,529
Personal needs	559,378	555,039
General and administration	65,937	86,442
Vehicle operations	285,425	265,365
Long-term care	162,899	209,424
Purchased services	74,205	53,177
Staff travel	24,026	26,442
	12,304,198	12,362,380
Excess (deficiency) of revenue over expenses	$ 81,817	$ (1,410)

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Changes in Net Assets

Year ended March 31, 2018, with comparative information for 2017

	Invested in capital assets	Restricted to capital reserve fund (note 8)	Unrestricted	2018 Total	2017 Total
Balance, beginning of year	$ 1,902,862	$ 115,604	$ (177,316)	$ 1,841,150	$ 1,842,560
Excess (deficiency) of revenue over expenses	–	–	81,817	81,817	(1,410)
Acquisition (disposal) of capital assets	112,452	–	(112,452)	–	–
Amortization of capital assets	(156,119)	–	156,119	–	–
Net decrease in debt principal (note 4)	21,945	–	(21,945)	–	–
Net change in deferred funding related to capital assets	120,126	–	(120,126)	–	–
Additional funding received for capital reserve fund	–	54,500	(54,500)	–	–
Expenditures from capital reserve fund	–	(72,612)	72,612	–	–
Interfund transfer	–	4,438	(4,438)	–	–
Balance, end of year	$ 2,001,266	$ 101,930	$ (180,229)	$ 1,922,967	$ 1,841,150

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	$ 81,817	$ (1,410)
Items not involving cash:		
Amortization of capital assets	156,119	155,529
Amortization of deferred funding relating to capital assets	(143,235)	(128,034)
Changes in non-cash operating working capital:		
Accounts receivable	(72,226)	19,033
Prepaid expenses	(5,632)	(8,841)
Accounts payable and accrued liabilities	33,120	59,392
Government payable	(27,712)	(21,572)
Deferred revenue	(50,115)	52,026
	(27,864)	126,123
Financing activities:		
Repayment of long-term debt	(21,945)	(486,448)
Additional deferred funding of capital assets	23,109	688,414
	1,164	201,966
Investing activities:		
Acquisition of capital assets	(112,452)	(245,955)
Increase (decrease) in cash	(139,152)	82,134
Cash, beginning of year	637,361	555,227
Cash, end of year	$ 498,209	$ 637,361

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").

1. Significant accounting policies (continued):

(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.

(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	2018 Net book value	2017 Net book value
Land	$ 2,560,000	$ –	$ 2,560,000	$ 2,560,000
Baxter House (Golden Avenue residence)	650,026	346,249	303,777	319,765
Eleanor Drive residence	282,643	226,715	55,928	58,871
Wilson House residence	305,002	199,140	105,862	111,434
Quinn Road residence	662,161	319,181	342,980	310,663
Kirkwood Avenue residence	598,186	359,758	238,428	250,977
Hillmount Crescent residence	340,289	168,603	171,686	180,723
Anderson Place residence	119,485	58,345	61,140	42,115
Wyman residence	394,757	198,452	196,305	206,636
Riverbend residence	615,542	243,714	371,828	391,398
Rosebella residence	233,027	87,899	145,128	129,656
Starwood residence	332,865	59,306	273,559	287,956
Leasehold improvements - Kilbarron	116,118	114,940	1,178	1,766
Leasehold improvements - Admin	28,527	20,599	7,928	13,634
Vehicles	76,318	64,583	11,735	16,765
Office equipment	42,108	42,108	–	–
Computer equipment	94,765	83,612	11,153	19,923
	$ 7,451,819	$ 2,593,204	$ 4,858,615	$ 4,902,282

Cost and accumulated amortization at March 31, 2017 amounted to $7,370,942 and $2,468,660, respectively. During the year the Organization disposed of fully amortized assets totalling $31,575.

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.

2. Capital assets (continued):

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.

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.

2. Capital assets (continued):

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:

	2018	2017
Anderson Place mortgage payable at $823 monthly including interest at 2.18 %, due September 1, 2019.	$ 51,456	$ 60,171
Quinn Road mortgage payable at $1,343 monthly including interest at 1.568%, due April 1, 2020.	177,313	190,543
	228,769	250,714
Less: current portion of long-term debt	22,343	21,945
	$ 206,426	$ 228,769

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

2019	$ 22,343
2020	56,199
2021	150,227
	$ 228,769

5. Deferred funding relating to capital assets:

Funds received from the various entities that provided assistance in acquiring or renovating the adult group homes have been recorded as deferred revenue and will be recognized as income at the same rate as the corresponding properties are amortized. Funding and donations received specifically in relation to the acquisition of vehicles are also deferred and are being recognized in income at the same rate as the corresponding vehicles are amortized.

	2018	2017
Private funding for Baxter House	$ 25,666	$ 27,019
MCSS funding for Baxter House	202,425	213,079
MCSS funding for Eleanor Drive residence	114,652	120,687
MCSS and private funding for Wilson House residence	109,057	114,797
LHDP funding for Kirkwood Avenue residence	175,155	184,373
CMHC funding for Kirkwood Avenue residence	117,414	123,594
MCSS funding for Hillmount Crescent residence	141,154	148,583
CMHC funding for Hillmount Crescent residence	61,568	64,809
MCSS funding for Wyman Crescent residence	147,391	155,148
MCSS funding for Quinn residence	332,876	350,395
Private funding for Riverbend residence	157,989	166,304
MCSS funding for Riverbend residence	581,958	612,587
Privately donated funding for vehicles	13,005	18,578
MCSS funding for Starwood building	426,315	448,753
MCSS funding for Rosebella building	21,955	-
	$ 2,628,580	$ 2,748,706

During the year ended March 31, 2011, the Organization received a forgivable loan from CMHC relating to renovations for the Kirkwood and Hillmount residences. These loan proceeds have been recorded as deferred revenue under the understanding that there is no reason to believe that the conditions under which the loan will be forgiven would not be met. As such the amounts will be amortized and recognized as revenue on the same basis of the assets to which they relate.

6. Bank indebtedness:

The Organization has a line of credit for financing of up to $600,000 due on demand. Interest is calculated at bank prime plus 0.90%. As at year end, there was an outstanding balance of $Nil (2017 - $Nil) on this line of credit.

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 2018 year end after authorized code allocations amounted to $Nil payable to MCSS (2017 - $15,458).

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, the fund decreased by $13,674 (2017 - $25,933 was added).

9. Commitments:

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

2019	$ 120,680
2020	118,087
2021	70,828
2022	21,025
2023	9,965
	$ 340,585

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 comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

TCE
Total Communication Environment

Homes for individuals with multiple disabilities and special communication needs.

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