TCE

Total Communication Environment

MAKING CONNECTIONS FOR LIFE

2014/2015 ANNUAL REPORT

TOTAL COMMUNICATION ENVIRONMENT

2014/2015 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 23, 2014 AGM to June 22, 2015 AGM

Candice Presley, Chairperson
Moriah Shemer, Treasurer
Janice Barclay
Christine Wilson
Coreen Blackburn, FSN Representative
Clark Lindsay
Elizabeth Coolen
Terry Fahey
Susan Seally
Jayson Peltzer, until March 31, 2015
Amanda Wannamaker, until October 30, 2014

TCE CHAIR REPORT

JUNE, 2015

TCE has had a very busy and successful year. As this was my first year of being the Chair of the Board, I would like to thank the Board and Staff for their on-going support.

With the launch of TCE's new website, we began to be much more present on Facebook and Twitter. It has been wonderful to see so many different aspects of TCE in this new media and get a taste of what everyone is up to. The spirit of TCE is obviously everywhere, as we see photos of yoga classes, Selfie contests, daily lives and outings. Having more access to what goes on in lives of our residents and staff is a great addition to our annual newsletter.

The Special Fund was launched last year and, on Facebook, you can also see many of the exciting activities that residents have been participating in. Announcements of the great things that will be happening this year with the Special Fund have just been released, so we encourage you to take a look.

The purchase of Starwood as a new home was an exciting addition this year. The Board is always amazed at how smoothly renovations, moves and transitions are handled. Attention to every detail was managed while still maintaining our regular business. Residents have all settled in and have homes that are better suited to their lives. We would like to thank staff for their ongoing commitment to the needs of all our residents.

On that note, the annual Staff Appreciation event was held in November this year at the Lonestar Ranch, and it was wonderful to see so many Long Service awards and staff recognized. We are truly blessed to have such wonderful people working with us.

Financially, you will see that TCE has turned a corner and we are doing well despite on-going financial pressures. Thanks again to all staff for their commitment to ensure that we manage funds carefully.

In the winter, the Board reviewed the Quality Assurance Measures and noted that very few changes were needed. Board members were pleased at how seriously TCE ensures the health and safety of residents and staff.

I attended an MCSS information session this spring with Karen, where we heard about the Ministry's Transformation Agenda. Ministry offices have gone through restructuring, reducing to five regional offices, and continue to focus on person directed care. Good work is being done to allow people to access services more easily. It was evident at this meeting that TCE is a true leader in our field and it is such a pleasure to represent TCE at an event like this.

In closing, TCE has had an eventful and productive year. The Board is very fortunate to work with the hard working and dedicated staff at TCE. We hope to see you all at the Douglas J. Fahey Annual Picnic this summer, and at the Gala this October where we will celebrate TCE's 35th Anniversary with dinner and 35 Stories. You will hear more about these events soon, but please ensure you have marked your calendars and come celebrate with us.

Candice Presley

Chairperson

TREASURER'S REPORT

YEAR ENDED 2015

Treasurer's Report

As the Treasurer for TCE, I am pleased to present the audited financial statements for the 2014-15 fiscal year. The statements have been included at the end of the annual report.

The statements were audited by KPMG, which was selected as the auditor for 2014-15 in the December board meeting. I am happy to report that the auditor's opinion was clean, and no significant errors or issues were 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.

In November, the Board authorized TCE to enter into a five year term loan to finance the purchase of the new home on Starwood Drive. The monthly loan payments are being fully financed by the MCSS.

Turning to the Statement of Operations, you will see that revenues increased by $380k due to multiple factors. MCSS legal agreement revenues increased due primarily to new funding from the Ministry for salary increases and additional funding for the employment inclusion partnership with Families Matter Co-op. Donations more than doubled, thanks to the generosity of our wonderful donors. Finally, a legal settlement provided an additional $128k of income (see note 11).

Expenses increased by $692k, with the biggest increases being for salaries and benefits and home operation costs. Salaries and benefits rose due to the salary increases approved by the Ministry as well as the new costs related to the Starwood home. Home operation costs increased due to substantial home repairs and improvements, which TCE was able to undertake due to the positive revenue situation.

The Statement of Financial Position has three large variances:

- Capital assets have increased by approximately $443k, primarily due to the purchase of the Starwood home.
- Overall long term debt (including both the current and long-term portion) has increased by $426k, primarily due to the new mortgage for the Starwood home. The current portion has increased by $251k due to the fact that the term of the current Baxter mortgage will expire within the next 12 months; however, the mortgage is expected to be renewed in full and therefore no amount will actually be due.

- Accounts payable has increased by $334k, primarily owing to a year-end accrual for the salary increases approved by the Ministry for 2014-15 (which will be paid in 2015-16), as well as the fact that many of the expenditures on home repairs and improvements were incurred near the end of the year.

Over the period of 2005 to 2012, TCE carried on its books a substantial accumulated deficit, which appeared on the Statement of Financial Position as a large negative amount of “unrestricted net assets.” It stood at $640k at the end of 2011-12. The deficit effectively meant that TCE’s liabilities exceeded its assets when the amount invested in capital assets was considered unavailable (restricted). This year, after three years of reductions, I am pleased to report that TCE has eliminated the deficit and now has a very small accumulated surplus. This is an important achievement that is owed to the efforts that TCE has made to contain costs and take advantage of opportunities, as well as the continued support of the Ministry during challenging periods. Kudos to TCE’s management for shepherding the organization through difficult financial times and positioning it well for the future.

This was my first year as Treasurer, and it was a pleasure to work with Karen, Don, the Finance Committee and the rest of the Board. TCE’s leaders truly embody its values and I am always inspired by their dedication and expertise. The Board has welcomed new members this year and it is wonderful to see the different skills and approaches that everyone brings to the table. I am looking forward to another year of good discussions and fresh successes for TCE.

Sincerely,

Moriah Shemer, CPA, CA
Treasurer

EXECUTIVE DIRECTOR'S ANNUAL REPORT

APRIL 1, 2014 – MARCH 31, 2015

The year 2014 - 2015 has been all about transition and change in every area of our supports and services. TCE's Administration and some of the Community Participation programs relocated to our new building at 190 Colonnade Rd. in June. TCE welcomed five new individuals to our residential supports; a new home opened; and a Work Crew and crafty Social Enterprise was born. In addition, there were two Calls for Proposals for the 'Special Fund' at the beginning and the end of the fiscal year, approving over $50,0000 in ***'Life Enhancing and Joy Inducing'*** activities, experiences and purchases all made possible by generous donors.

We had barely finished unpacking our boxes when we received notice that an MCSS Program Compliance Review would take place in July. TCE received written notice that we were fully compliant in the early fall.

TCE burst onto the Social Media scene through our Facebook and Twitter accounts and new Website. Some of our pictures and brief stories have reached up to a thousand people. More and more people are learning about TCE and I hear lots of positive feedback. If you haven't already, please check us out at www.tceottawa.org, on facebook at TCE-Total Communication Environment and twitter at @tceottawa.

Last summer following the election, the government moved quickly to announce that $810 million had been allocated to Developmental Services to move the 'Transformation Agenda' forward. Funds were dedicated to eliminating the 'Special Services at Home' waiting list; the Passport waiting list; support modernization of the system, employment for people with developmental disabilities, and funds for wages for direct service workers in this field.

One of the major stressors for families on the waiting lists is the lack of housing and supports. There are approximately 17,000 individuals waiting for residential supports & services in Ontario, roughly the same number who are receiving service. The Minister of Community and Social Services established a Housing Task Force to study this issue over the next 2 years and make recommendations on Innovative models that will provide options for individuals and families on the waiting list that could be replicated across the Province. I am pleased to serve as a member of the Housing Task Force.

After a long search for the perfect bungalow, TCE purchased a home on Starwood Drive in the baseline area in the fall. Renovations, including upgrades to Visitable standards, http://visitablehousingcanada.com/ were completed throughout the winter and all three men are living in their new home. We were also pleased to welcome several other new residents to homes throughout TCE.

We began our year on April 1, 2013 with 171 employees and we ended this fiscal year with 66 full-time, 91 part-time and 13 call-in staff. During the year, 19 new employees joined TCE and 20 left the organization. Our overall turn-over rate for 2014-2015 was 11.76% which was a slight increase from the previous year's rate of 11.11%. We ended the year with 170 staff employed at TCE, a decrease of 1 employee. Hiring has occurred since that has increased our ranks.

In October we had a wonderful time with our Employees at a Staff Appreciation Hoedown at the Lonestar Ranch with food, friendship and long-term service awards to those celebrating 5, 10, 15, 20 and 25 years of service.

As mentioned in last year's Annual Report, Laundry Matters Co-op in partnership with TCE, received a grant from MCSS to further develop their Social business. They have successfully negotiated and signed an agreement with St. Vincent's Hospital. In addition, they have purchased commercial grade washers and dryers and all they need is a home. They are actively searching for commercial space at a reasonable cost. This wonderful social enterprise provides employment and job skills development for people with developmental disabilities. If you know someone with excess commercial space who can help, please let us know.

The City of Ottawa finally released the Request for Proposals for their piece of land on 'Longfields', in the west end of Ottawa this past Fall. Unfortunately, Nepean Non-Profit Housing, our partner in this development, was unsuccessful in their bid. At this point we are considering other options for the sale of Eleanor and development of small living environments long-term.

The Fire Marshall's office has been kept busy with the implementation of the updated Fire Code requirements for 'Care Homes'. These amendments capture all types of homes from Retirement, Domiciliary Hostels to group homes. There are challenges in interpretation across the Province and even within Fire Departments. Wilson House has required upgrades to a sprinkler system as a result of the new amendments. Overall, all of the residents and homes have done extremely well at evacuation as each have regular live fire drills on a monthly basis, at minimum.

Pay Equity continues to be an ongoing pressure for our Organization as it is for many across the Province. This unfunded pressure, legislated by one arm of government and unfunded by another, costs TCE approximately $75,000 a year. This amount of money must be taken out of our regular budget to cover the costs of Pay Equity. There are a number of strategies undertaken by our Provincial Association to address this issue, with little success to date.

Locally, MCSS has always been a tremendous partner to TCE. We received significant financial support for costs related to resident hospitalizations, fire code retro-fit, renovations and necessary purchases. At the end of June, TCE's long-time Program Supervisor, Mary Jelinic, will retire from a life of Public Service. We extend our sincere thanks and appreciation for her wonderful support and partnership over these many years.

Karen Belyea
Executive Director

FAMILY SUPPORT NETWORK (FSN)

REPORT TO THE JUNE 22, 2015 ANNUAL GENERAL MEETING

This report covers activities which have taken place since our last Annual General Meeting on June 23rd, 2014.

Douglas Joseph Fahey Memorial BBQ

The weather man again co-operated for the annual BBQ at the Andrew Haydon Park on Saturday, August 23rd, 2014. Entertainment by the zany group "The Diplomats " was enjoyed by all. Their many costume changes added greatly to their appeal and participation in their musical numbers was spontaneous.
The Fahey Family again did a superb job on the BBQ and it was great to see "Dad", Ron Fahey, at the event. Many, many thanks to the Fahey Family for providing food and drink and cooking for this enjoyable event.
This year's Memorial BBQ will take place at Andrew Haydon Park on Saturday, August 29th at 11am. Come at 9am if you want to help set up.
Remember to bring your lawn chairs.

November 27, 2014 FSN Meeting

There were thirteen people in attendance.
After discussion, it was decided to recommend that the FSN bank account be closed, due to no interest being earned and costly maintenance fees being charged, and that FSN funds be held in the TCE accounts. The TCE Board of Directors subsequently agreed to do this.
DJ McDonald reported for Karen Belyea on the busy summer at TCE, including the move to new offices, welcoming five new residents and start up of a new home, "Starwood". It was noted that TCE is in full compliance with our major funder, the Ministry of Community and Social Services. Discussion ensued regarding fire code requirements and evacuation plans.

Christmas Parties

There were ten parties in all—most held in each home, but one at the Hintonburg Community Centre, where three homes combined efforts, and one at the TCE offices. There was ample food and drink at each event, with live music and Santa (very jovially, but gently, played by Ian Maxwell) visited every party with a gift for each resident. FSN supports these events by providing money for staff to purchase and wrap the gifts. Thanks to all who contribute to make Christmas a happy time for residents and their families.

April 21, 2015 FSN Meeting and Pot Luck

The second annual Pot Luck meeting was enjoyed by 24 members.
Karen Belyea reported on renovations and renewal of houses, the Special Fund proposals, vacations requests, an update on budget and on Ministry directives.
Mary Chatfield was voted in as Chair of the FSN, with thanks to her for volunteering.
An invitation was extended to everyone to keep the date of Friday, October 23rd, 2015 open for the TCE 35th Anniversary Gala to be held at the Centurion Conference and Event Center.
All were saddened by the news of Ron Fahey's recent passing. He was a wonderful and dedicated FSN member and will be greatly missed.
The fall meeting of the FSN is scheduled for Tuesday, November 10th at the TCE offices. Please come.

Coreen Blackburn, FSN Rep to the TCE Board

TCE'S AUDITED FINANCIAL STATEMENTS

FISCAL YEAR 2014/2015

Financial Statements of

TOTAL COMMUNICATION ENVIRONMENT

Year ended March 31, 2015

TOTAL COMMUNICATION ENVIRONMENT
Financial Statements

Year ended March 31, 2015

KPMG LLP
Suite 1800
150 Elgin Street
Ottawa ON K2P 2P8
Canada

Telephone (613) 212-KPMG (5764)
Fax (613) 212-2896
Internet www.kpmg.ca

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, 2015, 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Total Communication Environment as at March 31, 2015, 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.

Other Matter

The financial statements of Total Communication Environment as at and for the year ended March 31, 2014 were audited by another auditor who expressed an unmodified opinion on those statements on May 23, 2014.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

June 17, 2015

Ottawa, Canada

TOTAL COMMUNICATION ENVIRONMENT

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	$ 782,037	$ 524,301
Accounts receivable	105,234	90,703
Prepaid expenses	8,103	8,103
	895,374	623,107
Capital assets (note 2)	4,839,836	4,397,221
	$ 5,735,210	$ 5,020,328
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	$ 717,564	$ 383,123
Government payables	16,633	169,489
Deferred revenue	70,732	103,619
Current portion of long-term debt (note 4)	310,372	58,577
	1,115,301	714,808
Deferred revenue related to capital assets (note 5)	2,077,379	2,114,612
Long-term debt (note 4)	731,934	558,212
Net assets:		
Invested in capital assets	1,720,151	1,665,820
Restricted to capital reserve fund (note 8)	80,795	76,357
Unrestricted	9,650	(109,481)
	1,810,596	1,632,696
	$ 5,735,210	$ 5,020,328

See accompanying notes to financial statements.

Approved by the Board:

Director

Director

TOTAL COMMUNICATION ENVIRONMENT

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
MCSS legal agreement	$ 9,826,621	$ 9,561,253
MCSS supportive housing agreement	54,644	52,610
MCSS other income	311,944	364,784
MCSS minor capital funding	17,795	65,714
Residents' fees	906,990	923,870
Donations	183,025	79,920
Other income	132,212	5,657
Amortization of deferred revenue related to capital assets (note 5)	123,589	123,195
	11,556,820	11,177,003
Expenses:		
Salaries and benefits	9,073,368	8,701,349
Home operation	779,564	625,664
Personal needs	632,411	555,261
General and administration	243,971	208,723
Vehicle operations	264,918	253,668
Long-term care	204,981	222,468
Purchased services	148,329	91,252
Staff travel	31,378	28,927
	11,378,920	10,687,312
Excess of revenue over expenses	$ 177,900	$ 489,691

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Changes in Net Assets

Year ended March 31, 2015, with comparative information for 2014

	Invested in capital assets	Restricted to capital reserve fund	Unrestricted	2015 Total	2014 Total
		(note 8)			
Balance, beginning of year	$ 1,665,820	$ 76,357	$ (109,481)	$ 1,632,696	$ 1,143,005
Excess of revenue over expenses	–	–	177,900	177,900	489,691
Acquisition (disposal) of capital assets	587,749	–	(587,749)	–	–
Amortization of capital assets	(145,134)	–	145,134	–	–
Net increase in debt principal (note 4)	(425,517)	–	425,517	–	–
Net change in deferred revenue related to capital assets	37,233	–	(37,233)	–	–
Interfund transfers	–	4,438	(4,438)	–	–
Balance, end of year	$ 1,720,151	$ 80,795	$ 9,650	$ 1,810,596	$ 1,632,696

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	$ 177,900	$ 489,691
Items not involving cash:		
Amortization of capital assets	145,134	145,214
Amortization of deferred contributions	(123,589)	(123,195)
Changes in non-cash operating working capital:		
Accounts receivable	(14,531)	75,735
Prepaid expenses	–	15,412
Accounts payable and accrued liabilities	334,441	75,231
Government payable	(152,856)	(17,766)
Deferred revenue	(32,887)	86,942
	333,612	747,264
Financing activities:		
Net increase (repayment) of long-term debt	425,517	(449,781)
Additional deferred funding of capital assets	86,356	–
	511,873	(449,781)
Investing activities:		
Acquisition of capital assets	(587,749)	9,525
Increase in cash	257,736	307,008
Cash, beginning of year	524,301	217,293
Cash, end of year	$ 782,037	$ 524,301

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	2015 Net book value	2014 Net book value
Land	$ 2,560,000	$ –	$ 2,560,000	$ 2,360,000
Baxter House (Golden residence)	650,025	295,716	354,309	372,959
Eleanor Drive residence	282,642	217,412	65,230	68,665
Wilson House residence	301,926	181,692	120,234	62,719
Quinn Road residence	611,792	267,567	344,225	362,342
Kirkwood Avenue residence	598,186	320,095	278,091	292,728
Hillmount Crescent residence	290,578	142,659	147,919	155,704
Anderson Place residence	97,242	50,577	46,665	49,120
Wyman residence	371,110	167,041	204,069	214,810
Riverbend residence	449,238	190,613	258,625	272,237
Rosebella residence	204,720	66,254	138,466	145,754
Starwood residence	275,992	13,800	262,192	–
Leasehold improvements - Kilbarron	116,118	113,174	2,944	3,533
Leasehold improvements - Admin	20,632	4,126	16,506	–
Vehicles	248,829	214,361	34,468	26,728
Office equipment	42,108	39,396	2,712	5,424
Computer equipment	411,174	407,993	3,181	4,498
	$ 7,532,312	$ 2,692,476	$ 4,839,836	$ 4,397,221

During the year the Organization disposed of assets with cost and accumulated amortization of $32,391. Cost and accumulated amortization in 2014 amounted to $6,976,954 and $2,579,733 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 returned to LHDP. In 2005 the residence was rebuilt and re-named Baxter House.

The residence at 16 Eleanor Drive, an adult group home, was purchased in 1989 with all of the funding provided by the Ministry of Community and Social Services ("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 the MCSS.

The residence at 5 Eisenhower Crescent (Wilson House), an adult group home, was purchased in 1992 with 80% of the funding provided by the 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 the 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 the 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 the 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 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 the 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 the MCSS. During the 2011 fiscal year, additional funding for improvements was received from the 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 the 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 the 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 the MCSS. In 2014, the 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 the 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 the MCSS. Should the Riverbend residence cease to be used as a group home, all of the proceeds from sale will be paid to the 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 the 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 the MCSS. In 2014, the 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 term loan financing agreement. Funding for payments is provided by the 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 repay the loan holder, with remaining funds paid to the MCSS.

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:

	2015	2014
Anderson Place mortgage payable at $823 monthly including interest at 2.18%, due September 1, 2019.	$ 77,045	$ 85,029
Baxter residence mortgage payable at $4,563 monthly including interest at 5.220%, due October 18, 2015.	264,708	304,510
Quinn Road mortgage payable at $1,507 monthly including interest at 3.214%, due April 1, 2020.	216,261	227,250
Starwood Term-loan payable at $2,025 monthly including interest at prime rate plus 1%, due March 1, 2020	484,292	–
	1,042,306	616,789
Less: current portion of long-term debt	310,372	58,577
	$ 731,934	$ 558,212

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

2016	$ 310,372
2017	46,177
2018	46,570
2019	46,969
2020 and thereafter	592,218
	$ 1,042,306

5. Deferred revenue 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.

	2015	2014
Private funding for Baxter House	$ 29,937	$ 31,513
MCSS funding for Eleanor Drive residence	133,725	140,763
MCSS and private funding for Wilson House residence	127,199	70,049
LHDP funding for Kirkwood Avenue residence	204,292	215,044
CMHC funding for Kirkwood Avenue residence	136,946	144,154
MCSS funding for Hillmount Crescent residence	112,307	118,218
CMHC funding for Hillmount Crescent residence	71,810	75,590
MCSS funding for Wyman Crescent residence	147,018	154,756
MCSS funding for Quinn residence	388,250	408,684
MCSS funding for Riverbend residence	687,981	724,190
Privately donated funding for vehicles	37,914	31,651
	$ 2,077,379	$ 2,114,612

During the year ended March 31, 2011, the Organization received a forgivable loan from the 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 (2014 - $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 2015 year end after authorized code allocations amounted to $2,067 payable to MCSS (2014 - $8,656).

8. Capital reserve fund:

Under the terms of its funding agreement with the 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 $4,438 (2014 - $4,438) was added.

9. Commitments:

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

2016	$ 205,484
2017	157,362
2018	132,617
2019	62,296
2020	14,706
	$ 572,465

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. Settlement and contingency:

During 2014, the Organization received a legal settlement in the amount of $127,852 which covered damages as well as previously paid costs. This amount was recognized as other income in 2014.

The MCSS has agreed that this revenue can be excluded from the Organization's surplus as calculated through the TPAR process. As such, the amount has been retained by the Organization through its unrestricted net assets.

12. Comparative information:

Certain 2014 comparative information has been reclassified to conform with the financial statement presentation adopted for 2015.

TCE
Total Communication Environment

Homes for individuals with multiple disabilities and special communication needs.

190 Colonnade Road, Suite 100, Nepean, ON K2E 7J5
Tel: 613-228-0999 | Fax: 613-228-1402 | TDD 613-228-8669
www.tceottawa.org | BN: 11926 7714 RR0001