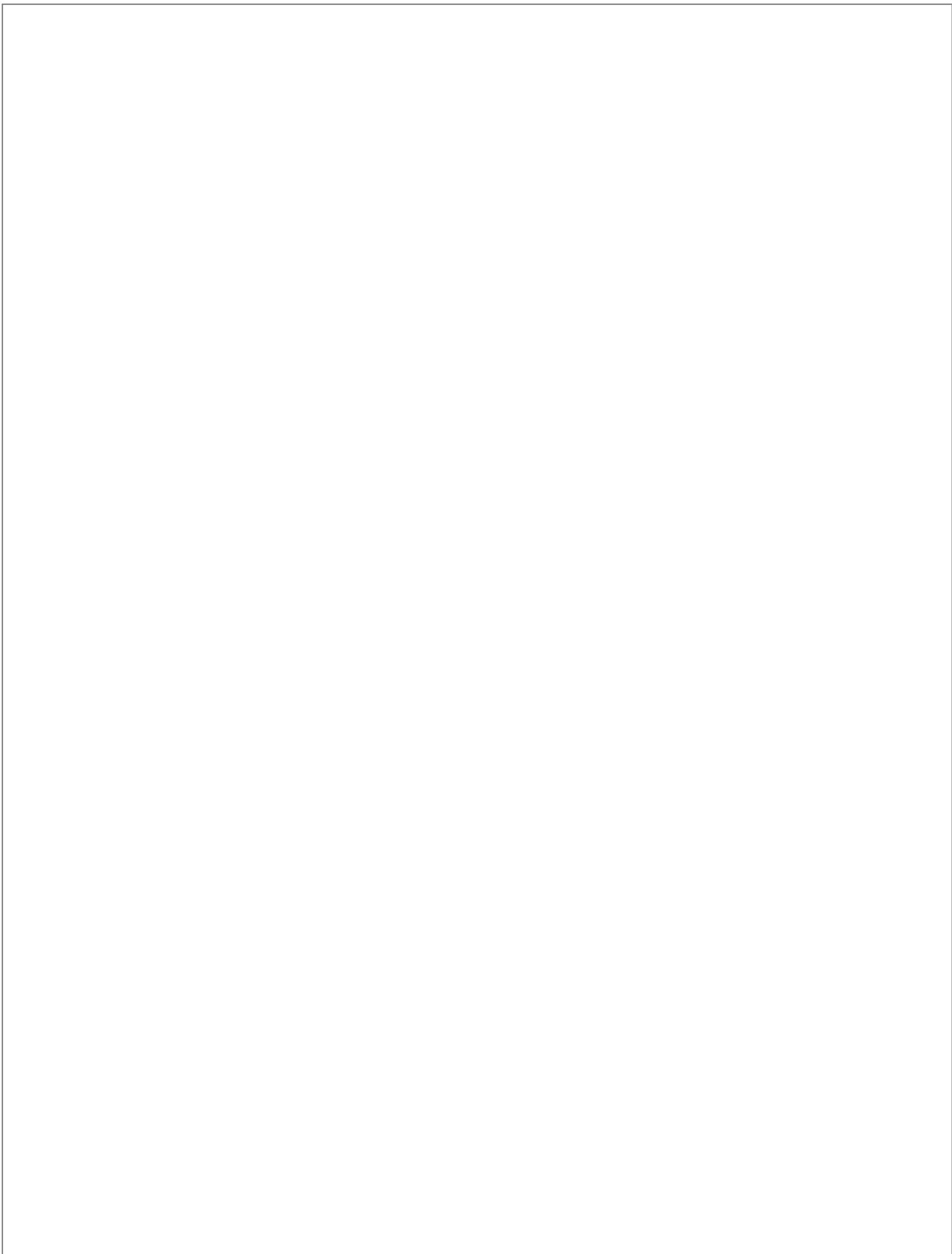




MAKING CONNECTIONS FOR LIFE

2015/2016 ANNUAL REPORT



TOTAL COMMUNICATION ENVIRONMENT

2015/2016 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 22, 2015 AGM to June 20, 2016 AGM

Candice Presley, Chairperson
Moriah Waddington (formerly Shemer), Treasurer
Coreen Blackburn, FSN Representative
Elizabeth Coolen
Terry Fahey
Amanda Iannaccio
Clark Lindsay
Susan Seally
Nicholas Wilson

**TOTAL COMMUNICATION ENVIRONMENT
EXECUTIVE DIRECTOR'S ANNUAL REPORT
APRIL 1, 2015 – MARCH 31, 2016**

If last year was all about change and transition, this year, 2015-2016 was dedicated to establishing roots for our seven new residents; discovering innovation and growth through change; recognizing the achievements of the people we support, our dedicated employees and long-serving volunteers; and celebrating 35 years together.

TCE began and ended the year with two successful rounds of Calls for Proposals for the 'Special Fund' approving over \$80,000 in '*Life Enhancing and Joy Inducing*' activities, experiences and purchases all made possible by generous donors.

TCE's Social Media presence continues to grow since launching our new website, Facebook and Twitter accounts. We now have a regular blog along with great videos produced by community participation members and others commissioned for our 35th anniversary. If you haven't already, please check us out at www.tceottawa.org.

This snapshot of our services reflects how we looked at the end of 2015/16:

Service	Number of People Supported	Location/Description
Residential	78	14 different sites, mix of houses, multi-unit sites (non-profit housing providers), apartments, owned and rented
Community Participation/Day	64	4 sites; 3 home-based and one central drop in/gathering place. Community focused Employment; Crew Cuts & Laundry Matters Social Enterprise; therapeutic recreation, leisure, community inclusion activities
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.

There have been two new exciting developments this year in the area of Social Enterprise. In fiscal year 2014/15, the 'Crew Cuts', several men who live at TCE, came together and put in a proposal to the Special Fund for equipment and support to start their own lawn care and small repair business. Outfitted with a truck, trailer, equipment and health & safety training Crew Cuts was off to a great start under the steady leadership of Doug Watts. A victim of their own success, Crew Cuts could be working 24/7 as more requests come in for their services for lawn care in the good weather and custom furniture throughout the winter. We are proud to have added three more people to our payroll as Crew Cuts takes on all of TCE's lawn care business.

Landry Matters, a Social Enterprise under the umbrella of Families Matter Coop, is a partner of TCE's. We have been working together for many years on the laundry business and were thrilled when a grant from MCSS was secured to further develop their business plan several years ago. The fruits of their labour have finally been realized and they now have a dedicated storefront operation and their own machines located on Montreal Rd. Contracts for services with St. Vincent's Hospital are ongoing however this allows Laundry Matters to take on other regular clients. TCE's job coaches and workers participate at the Laundry and are very excited at the future opportunities! If you are aware of any business or individual in need of regular laundry services (tables cloths, napkins, or anything else) please look them up at www.laundrymatters.ca.

As well as our Crew Cut staff, TCE hired an additional 20 employees over the last year, while 12 employees moved on, resulting in a total turnover rate of 6.63%. The increase in staff is attributed to the addition of our new home on Starwood Road. We also canvassed for and hired a new management position, a Human Resource Advisor. This position is developmental and purposely hired from within TCE so that the individual will have a good grounding in our philosophy as she gains her designation as a Certified Human Resource Professional.

Position		April 2015	April 2016
Work Crew		0	3
Call In		13	13
Part-time		91	95
Full-time		51	54
Admin/Management		15	16
TOTAL		170	181

In February we had a great celebration at our annual 'Employee Appreciation' Night held at the Lonestar Ranch. Staff were recognized and awarded for 5, 10, 15, 20 and 25 years of dedicated service.

Provincially and locally it has been a busy year for developmental service agencies in Ontario. I continue to be a member of the Ontario Housing Task Force which was created by the Minister of Community and Social Services to consider new innovative models and approaches to housing and support that might assist the long waiting list of individuals and families in need of help.

Developmental services transformation is evolving and this can be seen and felt in many areas of services. For example, an announcement was made earlier this year by Minister Jaczek that there would be no further admission to Sheltered Workshops and over the course of five years they would close entirely. Assurances have been provided that transition plans to either employment, volunteer work, community participation supports will be in place for individuals leaving workshops. There are agencies across the Province who have already dismantled Workshops and moved to more socially inclusive models. The same can be seen in pockets of residential services as organizations 'debundle' supports and choose to support people in more individualized ways. Evolution never stops and it's clear that developmental services in Ontario are embracing more socially inclusive ways of supporting people.

Locally, agencies will be working together on a 'Multi-Year Plan' for residential services for transition-aged youth as they leave the child welfare system and others in urgent need of services.

New guidelines for Host families have been released and we anticipate that our next Compliance Review will focus on this area. TCE has two long-standing Host Family arrangements. The new guidelines will not have an impact on these arrangements rather the rules are now standardized across the Province for all host family providers.

TCE volunteered to participate in an MCSS 'Survey of Personal Outcomes for Individuals in Developmental Services'. This involves surveys with a number of the people we support and or their family / substitute decision maker's about their lived experiences at TCE. We are eager to learn more about the personal outcomes measures and the results to enhance individual's lives and outcomes which are currently tracked through their Individual Support Plans (ISP). In addition, TCE has undertaken a Consumer Satisfaction Survey with residents who are able to participate and a Family/Substitute Decision Maker Satisfaction Survey. All results will be shared widely with families, individuals, staff, board and constituents.

In September, we undertook our MCSS Compliance Review and it went very well with our results in the 90th percentile of organizations across the Province. The Compliance Review is based on Quality Assurance Measures and is a comprehensive review of all areas of TCE's operations. It is conducted on-site by a Compliance Officer from Toronto who spends approximately a week inside the organization. Compliance Reviews are usually conducted annually.

TCE is undertaking an update and review of our Strategic Plan this year and there are many considerations as we move forward. We have a significant cohort of aging baby boomers with increasing

medical and mobility issues; there are young people being welcomed whose wants and needs are completely different from any generation we have ever served; and generationally our staff are also varied.

Financially, the horizon is challenging as it relates to our operating budget. Pay equity continues to be an annual pressure with the approximate cost of 1 full-time equivalent position of funding removed from our base budget each year. We estimate that our pay equity targets will be met by 2022 but in the meantime are required to find these cost savings from our current budget. Our Strategic Plan will take into consideration all of these factors: our current and future residents' needs within the reality of developmental services transformation and our financial challenges.

Fortunately, TCE has many generous supporters and we have seen significant growth in all areas of donations, including designated donations and those to our Special Fund. We were also very grateful to have the full cost of our 35th Anniversary Gala covered by sponsors which allowed all residents, staff members and their families to attend free of charge and others to pay a very nominal amount.

The Ministry of Community and Social Services is a great partner to TCE and we received significant financial one-time support this past year for costs related to resident hospitalizations and extraordinary needs; renovations and repairs. We were pleased to welcome Carole Gagne-Ince as our new Program Supervisor in the summer and appreciate her ongoing support and guidance.

Karen Belyea
Executive Director

TOTAL COMMUNICATION ENVIRONMENT

CHAIR REPORT - JUNE 20, 2016

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 to this amazing organization.

TCE has been very busy on social media, and we greatly appreciate having a 'window' to watch all the amazing activities everyone has been up to. Our Social Enterprises, Community Participation Supports and residents are busy crafting, landscaping and being involved in their community.

The Special Fund was even more popular this year, with a record number of ideas submitted. Staff ensured that every resident received a benefit from this program, whether individually or in group activities, and it greatly enriches peoples' everyday lives. Check out the many joyful and descriptive pictures posted on TCE's Facebook page.

The Gala was held last October where we celebrated TCE's 35th Anniversary in style! It was inspiring to be on the planning committee with such hard working staff and board members. In true TCE spirit, almost every resident was in attendance. We celebrated with friends and family, supporters of TCE, former and present board members and staff. Everyone enjoyed the caricature artists, photo booth, great food and dancing. We are truly blessed to have such wonderful people working with us.

Financially, you will see that TCE has had another steady year 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 minimal changes were needed. Board members were pleased at how seriously TCE ensures the health and safety of residents and staff, and how smoothly this process goes every year.

The Ontario Ministry of Community and Social Services (MCSS) regularly provides information sessions about the Ministry's Developmental Services Transformation Agenda which focuses on person directed supports and services. Good work is being done to allow people to access services more easily. TCE continues to be a true leader in our field and it is such a pleasure to represent TCE at meetings with the ministry.

In closing, TCE has had another 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 annual Douglas J. Fahey Memorial BBQ this summer.

Candice Presley
Chairperson

FAMILY SUPPORT NETWORK (FSN)

REPORT TO THE JUNE 20, 2016 ANNUAL GENERAL MEETING

This report covers activities which have taken place since our last Annual General Meeting on June 22nd, 2015.

Douglas Joseph Fahey Memorial BBQ

The Annual BBQ/Picnic was held on Saturday, August 29th, 2015 at the Green Gazebo at Andrew Haydon Park. Having the permit from the city on hand was fortunate, as the caterer for another group had already set up in the gazebo when TCE people arrived. Unfortunately for the caterer, he had to move. The weather was great, the crowd was great, the food was great and the entertainment (Jumpin' Jimmy on guitar and vocals) was great. Altogether a great day!!

Thanks to all who made the event possible, especially to the Fahey Family, who again did a superb job on providing the BBQ.

This year's Memorial BBQ will take place at Andrew Haydon Park on Saturday, August 27th at 11am. Come at 9am if you want to help set up.

Remember to bring your lawn chairs.

November 10, 2015 FSN Meeting

There were eight people in attendance. Mary Chatfield chaired the meeting.

In her report, Karen Belyea informed the members that TCE is in compliance with all regulations. Karen also updated the group on the Special Fund proposals that were accepted in 2015 and distributed a list of upcoming Christmas parties.

The financial report showed a balance of \$2,081.51. Approval was given to provide \$1600. For a Christmas gift for each resident.

Christmas Parties

There was ample food and drink at each event, with live music and Santa visited every party. 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 19, 2016 FSN Meeting and Pot Luck

The third annual Pot Luck meeting was enjoyed by 25 members. As always a varied and delicious feast appeared and a steady buzz of conversation filled the room as members renewed friendships and made new acquaintances.

Mary Chatfield chaired the business meeting which followed and Karen Belyea gave an extensive report on happenings at TCE, which included a FSN financial report. The bank balance as at April 19/16 is \$232.24.

The membership voted to increase the FSN membership fee \$20. per annum. This fee is collected at the AGM along with the separate TCE membership fee. Donations to FSN are also gratefully accepted. The fall meeting of the FSN is scheduled for Tuesday, November 8, 2016 at the TCE offices. All are welcome.

Coreen Blackburn, FSN Rep to the TCE Board

TOTAL COMMUNICATION ENVIRONMENT TREASURER'S REPORT FOR 2015-16

As the Treasurer for TCE, I am pleased to present the audited financial statements for the 2015-16 fiscal year. The statements have been included at the end of this report.

The statements were audited by KPMG for the second 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. It was a good year overall, with revenues exceeding expenses by \$32k despite continuing cost pressures.

Turning to the Statement of Operations, you will see that both revenues and expenses increased this year. Revenues rose by \$626k due to an increase in funding from the Ministry of Community and Social Services (MCSS). The increase was caused by several factors. More funding was provided for the Starwood home, which became operational in May 2015. Additional funding was also given for costs related to new residents, salary increases for staff and unexpected costs related to hospital stays and repairs.

Expenses increased by \$772k, primarily due to an increase of \$972k in the largest expense, salaries and benefits. Salaries and benefits were higher because of several factors: staffing for the Starwood home; negotiated increases to salaries and pension contributions; additional costs related to hospital stays and activities funded by the special fund; and salary increases due to pay equity legislation.

The increase in salaries and benefits was partially offset by a decrease of \$127k in home operation and a decrease of \$58k in purchased services. This decrease in home operation costs can be attributed to the fact that last year, additional home repairs, maintenance and furniture purchases were undertaken due to the availability of Ministry funds. Purchased services were higher last year due to costs related to the office move and higher legal fees.

On the Statement of Financial Position, you will see that overall long term debt (including both the current and long-term portion) has decreased by \$305k. MCSS repaid the outstanding balance on the Baxter House mortgage in March 2016, which decreased long-term debt by \$224k 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. The current portion of long-term debt was unusually large last year due to the fact that the Baxter mortgage was up for renewal within the next 12 months; it is now back to a more typical amount.

The year also included the completion of the renovations on the Starwood home and the purchase of a new server and accounting system. Since these expenses are for assets that will have a future benefit to TCE, they have been recorded as Capital Assets in the Statement of Financial Position.

This was my second year as Treasurer, and it was once again a pleasure to work with Karen, Don, the Finance Committee and the rest of the Board. TCE's 35th anniversary gala in October was a wonderful occasion to honour the amazing work that TCE does and bring the entire TCE community together. All of us on the Board are proud to be part of such a great organization and looking forward to another fruitful year.

Sincerely,

Moriah Waddington (formerly Shemer), CPA, CA
Treasurer

TCE'S AUDITED FINANCIAL STATEMENTS
FISCAL YEAR 2015/2016

Financial Statements of

**TOTAL COMMUNICATION
ENVIRONMENT**

Year ended March 31, 2016

TOTAL COMMUNICATION ENVIRONMENT

Financial Statements

Year ended March 31, 2016

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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, 2016, 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, 2016, 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 12, 2016

Ottawa, Canada

TOTAL COMMUNICATION ENVIRONMENT

Statement of Financial Position

March 31, 2016, with comparative information for 2015

	2016	2015
Assets		
Current assets:		
Cash	\$ 555,227	\$ 782,037
Accounts receivable	88,521	105,234
Prepaid expenses	6,691	8,103
	<u>650,439</u>	<u>895,374</u>
Capital assets (note 2)	4,811,856	4,839,836
	<u>\$ 5,462,295</u>	<u>\$ 5,735,210</u>

Liabilities and Net Assets

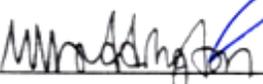
Current liabilities:		
Accounts payable and accrued liabilities	\$ 597,475	\$ 717,564
Government payables	21,864	16,633
Deferred revenue	74,908	70,732
Current portion of long term debt (note 4)	46,178	310,372
	<u>740,425</u>	<u>1,115,301</u>
Deferred funding related to capital assets (note 5)	2,188,326	2,077,379
Long term debt (note 4)	690,984	731,934
Net assets:		
Invested in capital assets	1,886,368	1,720,151
Restricted to capital reserve fund (note 8)	89,671	80,795
Unrestricted	(133,479)	9,650
	<u>1,842,560</u>	<u>1,810,596</u>
	<u>\$ 5,462,295</u>	<u>\$ 5,735,210</u>

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

TOTAL COMMUNICATION ENVIRONMENT

Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
MCSS Legal Agreement	\$ 10,831,619	\$ 10,138,565
MCSS Supportive Housing Agreement	50,214	54,644
MCSS minor capital funding	25,746	17,795
Residents' fees	964,000	906,990
Donations	184,497	183,025
Other income	13,320	132,212
Amortization of deferred funding related to capital assets	113,348	123,589
	12,182,744	11,556,820
Expenses:		
Salaries and benefits	10,045,683	9,073,368
Home operation	652,222	779,564
Amortization	154,498	145,131
Personal needs	628,342	632,411
General and administration	93,475	117,984
Vehicle operations	241,178	264,918
Long-term care	217,684	204,981
Purchased services	71,362	129,185
Staff travel	46,336	31,378
	12,150,780	11,378,920
Excess of revenue over expenses	\$ 31,964	\$ 177,900

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

	Invested in capital assets	Restricted to capital reserve fund (note 8)	Unrestricted	2016 Total	2015 Total
Balance, beginning of year	\$ 1,720,151	\$ 80,795	\$ 9,650	\$ 1,810,596	\$ 1,632,696
Excess of revenue over expenses	-	-	31,964	31,964	177,900
Acquisition of capital assets	126,518	-	(126,518)	-	-
Amortization of capital assets	(154,498)	-	154,498	-	-
Net decrease in debt principal (note 4)	305,144	-	(305,144)	-	-
Net change in deferred funding related to capital assets	(110,947)	-	110,947	-	-
Interfund transfers	-	8,876	(8,876)	-	-
Balance, end of year	\$ 1,886,368	\$ 89,671	\$ (133,479)	\$ 1,842,560	\$ 1,810,596

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 31,964	\$ 177,900
Items not involving cash:		
Amortization of capital assets	154,498	145,134
Amortization of deferred funding relating to capital assets	(113,348)	(123,589)
Changes in non-cash operating working capital:		
Accounts receivable	16,713	(14,531)
Prepaid expenses	1,412	
Accounts payable and accrued liabilities	(120,089)	334,441
Government payable	5,231	(152,856)
Deferred revenue	4,176	(32,887)
	(19,443)	333,612
Financing activities:		
Net increase (repayment) of long-term debt	(305,144)	425,517
Additional deferred funding of capital assets	224,295	86,356
	(80,849)	511,873
Investing activities:		
Acquisition of capital assets	(126,518)	(587,749)
Increase (decrease) in cash	(226,810)	257,736
Cash, beginning of year	782,037	524,301
Cash, end of year	\$ 555,227	\$ 782,037

See accompanying notes to financial statements.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements

Year ended March 31, 2016

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.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

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	2016 Net book value	2015 Net book value
Land	\$ 2,560,000	\$ —	\$ 2,560,000	\$ 2,560,000
Baxter House (Golden Avenue residence)	650,026	313,431	336,595	354,309
Eleanor Drive residence	282,642	220,673	61,969	65,230
Wilson House residence	301,927	187,704	114,223	120,234
Quinn Road residence	611,792	284,779	327,013	344,225
Kirkwood Avenue residence	598,186	333,999	264,187	278,091
Hillmount Crescent residence	290,578	150,055	140,523	147,919
Anderson Place residence	97,242	52,911	44,331	46,665
Wyman residence	371,110	177,244	193,866	204,069
Riverbend residence	449,238	203,544	245,694	258,625
Rosebella residence	209,917	73,437	136,480	138,466
Starwood residence	332,865	29,753	303,112	262,192
Leasehold improvements - Kilbarron	116,118	113,763	2,355	2,944
Leasehold improvements - Admin	25,309	9,188	16,121	16,506
Vehicles	76,318	52,368	23,950	34,468
Office equipment	42,108	42,108	—	2,712
Computer equipment	109,611	68,174	41,437	3,181
	\$ 7,124,987	\$ 2,313,131	\$ 4,811,856	\$ 4,839,836

During the year, the Organization disposed of assets with cost and accumulated amortization of \$533,843 and \$533,665, respectively. Cost and accumulated amortization in 2015 amounted to \$7,532,312 and \$2,692,476, respectively.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

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.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

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 repay the mortgage, with remaining funds paid to 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.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

4. Long-term debt:

	2016	2015
Anderson Place mortgage payable at \$823 monthly including interest at 2.18 %, due September 1, 2019.	\$ 68,700	\$ 77,045
Baxter House mortgage payable at \$4,563 monthly including interest at 5.220%, due October 18, 2015.	–	264,708
Quinn Road mortgage payable at \$1,343 monthly including interest at 1.568%, due April 1, 2020.	208,795	216,261
Starwood mortgage payable at \$2,052 monthly including interest at 3.56%, due March 1, 2020	459,667	484,292
	737,162	1,042,306
Less: current portion of long term debt	46,178	310,372
	\$ 690,984	\$ 731,934

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

2017	\$ 46,178
2018	46,570
2019	46,969
2020	441,991
2021 and thereafter	155,454
	\$ 737,162

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

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.

	2016	2015
Private funding for Baxter House	\$ 28,441	\$ 29,937
MCSS funding for Baxter House	224,294	—
MCSS funding for Eleanor Drive residence	127,039	133,725
MCSS and private funding for Wilson House residence	120,839	127,199
LHDP funding for Kirkwood Avenue residence	194,077	204,292
CMHC funding for Kirkwood Avenue residence	130,099	136,946
MCSS funding for Hillmount Crescent residence	106,691	112,307
CMHC funding for Hillmount Crescent residence	68,220	71,810
MCSS funding for Wyman Crescent residence	139,667	147,018
MCSS funding for Quinn residence	368,837	388,250
MCSS funding for Riverbend residence	653,582	687,981
Privately donated funding for vehicles	26,540	37,914
	<u>\$ 2,188,326</u>	<u>\$ 2,077,379</u>

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 (2015 - \$Nil) on this line of credit.

TOTAL COMMUNICATION ENVIRONMENT

Notes to Financial Statements (continued)

Year ended March 31, 2016

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 2016 year end after authorized code allocations amounted to \$12,254 payable to MCSS (2015 - \$2,067).

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 \$8,876 (2015 - \$4,438) was added.

9. Commitments:

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

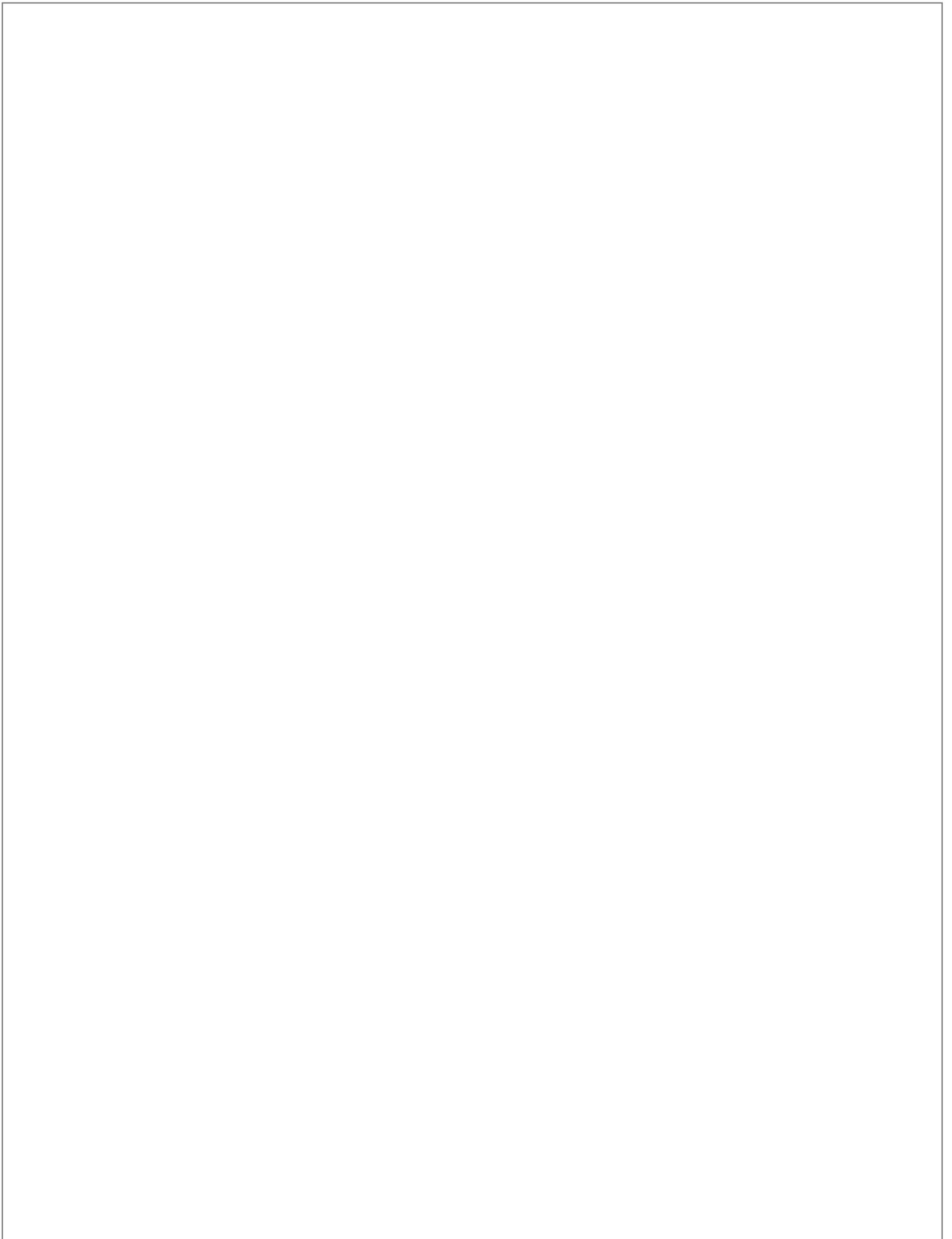
2017	\$	242,928
2018		227,264
2019		156,533
2020		108,651
2021		58,145
	\$	793,521

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 2015 comparative information has been reclassified to conform with the financial statement presentation adopted for 2016.





Homes for individuals with multiple disabilities and special communication needs.

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