

**CHATS - Community & Home
Assistance to Seniors
Financial Statements
For the year ended March 31, 2018**

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Independent Auditor's Report

To the Members of CHATS - Community & Home Assistance to Seniors

We have audited the accompanying financial statements of CHATS - Community & Home Assistance to Seniors which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended and 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.

Auditor's 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 the auditor's 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, the auditor considers 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 CHATS - Community & Home Assistance to Seniors as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Mississauga, Ontario
June 14, 2018


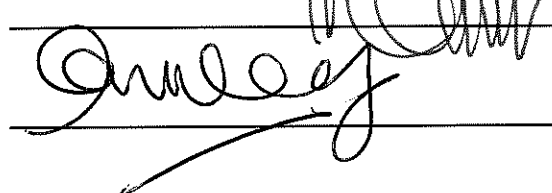
CHATS - Community & Home Assistance to Seniors
Statement of Financial Position

March 31	2018	2017
Assets		
Current		
Cash	\$ 1,383,867	\$ 1,129,729
Restricted cash (Note 2)	873,108	818,345
Accounts receivable	252,474	311,276
Prepaid expenses	212,649	227,121
	2,722,098	2,486,471
Capital assets (Note 3)	401,543	526,933
	\$ 3,123,641	\$ 3,013,404

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities (Note 4)	\$ 1,362,979	\$ 1,427,987
Deferred contributions (Note 5)	187,308	45,913
	1,550,287	1,473,900
Deferred capital contributions (Note 6)	389,796	512,961
	1,940,083	1,986,861
Net assets		
Funds invested in capital assets (Note 7)	11,747	13,972
Growth and Stabilization Fund (Note 10)	1,171,811	1,012,571
	1,183,558	1,026,543
	\$ 3,123,641	\$ 3,013,404

On behalf of the Board:


 _____ Director

 _____ Director

The accompanying notes are an integral part of these financial statements.

CHATS - Community & Home Assistance to Seniors
Statement of Operations

For the year ended March 31	2018	2017
Revenue		
Government funding (Note 12)	\$ 14,683,306	\$ 13,940,349
Service recipient fees	2,543,602	2,716,245
Grants (Note 13)	415,724	485,783
Donations	328,322	546,885
Amortization of deferred capital contributions	202,794	219,624
Interest and other	8,969	39,249
	<u>18,182,717</u>	<u>17,948,135</u>
Expenditures		
Staff salaries and wages	11,911,580	11,423,245
Employee benefits	1,618,427	1,602,922
Program and other operating costs	1,541,595	1,767,752
Contracted out services	1,055,395	971,395
Building and grounds	906,775	867,778
Equipment maintenance	609,487	618,063
Amortization of capital assets	205,019	221,853
Supplies	177,424	174,859
	<u>18,025,702</u>	<u>17,647,867</u>
Excess of revenue over expenses for the year	\$ 157,015	\$ 300,268

The accompanying notes are an integral part of these financial statements.

CHATS - Community & Home Assistance to Seniors
Statement of Changes in Net Assets

For the year ended

	Invested in Capital Assets	Growth and Stabilization Fund	Total
Net assets, March 31, 2016	\$ 16,201	\$ 710,074	\$ 726,275
Excess of revenue over expenditures for the year	-	300,268	300,268
Change in funds invested in capital assets (Note 7)	(2,229)	2,229	-
Net assets, March 31, 2017	13,972	1,012,571	1,026,543
Excess of revenue over expenditures for the year	-	157,015	157,015
Change in funds invested in capital assets (Note 7)	(2,225)	2,225	-
Net assets, March 31, 2018	\$ 11,747	\$ 1,171,811	\$ 1,183,558

The accompanying notes are an integral part of these financial statements.

CHATS - Community & Home Assistance to Seniors
Statement of Cash Flows

For the year ended March 31	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenditures for the year	\$ 157,015	\$ 300,268
Adjustments to reconcile excess of revenue over expenditures with net cash provided by operating activities		
Amortization of capital assets	205,019	221,853
Amortization of deferred capital contributions	<u>(202,794)</u>	<u>(219,624)</u>
	159,240	302,497
Changes in non-cash working capital balances		
Accounts receivable	58,802	(5,617)
Prepaid expenses	14,472	(16,659)
Accounts payable and accrued liabilities	(65,008)	65,858
Deferred contributions	<u>141,395</u>	<u>(2,357)</u>
	308,901	343,722
Investing activity		
Purchase of capital assets	(79,629)	(176,928)
Financing activity		
Receipt of deferred capital contributions	<u>79,629</u>	<u>176,928</u>
Increase in cash during the year	308,901	343,722
Cash and restricted cash, beginning of year	<u>1,948,074</u>	<u>1,604,352</u>
Cash and restricted cash, end of year	<u>\$ 2,256,975</u>	<u>\$ 1,948,074</u>
Represented by		
Cash	\$ 1,383,867	\$ 1,129,729
Restricted cash	<u>873,108</u>	<u>818,345</u>
	<u>\$ 2,256,975</u>	<u>\$ 1,948,074</u>

The accompanying notes are an integral part of these financial statements.

CHATS - Community & Home Assistance to Seniors

Notes to Financial Statements

March 31, 2018

1. Significant Accounting Policies

Nature and Purpose of Organization

Community & Home Assistance to Seniors ("CHATS") is incorporated as an organization without share capital under the laws of the Province of Ontario. CHATS' mission is to support the health and well-being of seniors and caregivers at home and in the community. CHATS' vision is innovative leadership that promotes optimal health and wellness for seniors and caregivers.

CHATS is a registered charity and, as such, is exempt from income taxes under the Income Tax Act (Canada).

Basis of Accounting

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

Revenue Recognition

The Organization follows the deferral method of accounting for revenue, whereby restricted sources of revenue are recognized as revenue in the year in which the related expenses are incurred. Unrestricted sources of revenue are recognized as revenue when received or receivable.

All other revenue is generally recognized in the accounts on the accrual basis as the service is provided.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. Contributed capital assets are capitalized at fair market value at the date of contribution. Capital assets are amortized on a straight-line basis as follows:

Leasehold improvements	- over the average term of the lease
Computer software and database	- 3 to 5 years
Computer equipment	- 3 years
Furniture and equipment	- 5 years
Automotive equipment	- 4 years

CHATS - Community & Home Assistance to Seniors Notes to Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, the financial instruments are reported at cost or amortized cost less impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue are charged to the financial instrument for those measured at amortized cost.

Credit risk refers to the risk that the fair value of the financial instruments or future cash flows associated with the instruments will fluctuate due to changes in the collectability of receivables. Credit risk associated with accounts receivable is minimized by the Organization's large and diverse customer base, and monitoring the aging of accounts outstanding. This risk has not changed from the prior year.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Contributed Materials

Contributed materials are recognized in these financial statements when the amounts are reasonably determinable based on fair market value. Included in donations and grants is revenue in kind with a fair market value of \$4,869 (2017 - \$14,792).

Employee Benefit Plan

Contributions to a defined contribution pension plan are expensed when due.

Volunteer Services

The work of CHATS is dependent on the volunteer services of many members and others. The nature and amount of volunteer services are not reflected in these financial statements because of the difficulty of determining their fair value.

CHATS - Community & Home Assistance to Seniors Notes to Financial Statements

March 31, 2018

1. Significant Accounting Policies (continued)

Remuneration of Board of Directors

Members of the Board of Directors and its committees are volunteers who serve without remuneration.

Deferred Capital Contributions

Deferred capital contributions represent funds to be used to cover costs incurred on specific capital assets. Deferred capital contributions are amortized concurrently with the amortization of capital assets acquired.

Funds Invested in Capital Assets

Funds invested in capital assets account represents funds used for the acquisition of capital assets.

2. Restricted Cash

Restricted cash of \$873,108 (2017 - \$818,345) represents funds restricted for programs approved by Central LHIN.

CHATS has an available operating line of credit of \$300,000 (2017 - \$300,000) which is repayable on demand and bears interest at the bank's prime rate plus 1.5% (2017 - bank prime plus 1.5%). The line of credit is collateralized by a general security agreement. At March 31, 2018 and 2017, no amounts were outstanding against the line.

3. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 679,376	\$ 552,963	\$ 662,664	\$ 532,511
Computer software and database	131,379	128,105	131,379	103,094
Computer equipment	188,278	178,028	188,278	159,102
Furniture and equipment	277,060	242,442	277,060	224,942
Automotive equipment	862,545	635,557	799,625	512,424
	\$ 2,138,638	\$ 1,737,095	\$ 2,059,006	\$ 1,532,073
Net book value		\$ 401,543		\$ 526,933

CHATS - Community & Home Assistance to Seniors Notes to Financial Statements

March 31, 2018

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of \$179,161 (2017 - \$101,337).

5. Deferred Contributions

Deferred contributions include unspent grants and restricted donations representing funding received in the current year that is related to subsequent years. The change in the deferred contributions balance is as follows:

	2018	2017
Balance, beginning of year	\$ 45,913	\$ 48,270
Add: amounts received related to subsequent years	187,815	46,073
Less:		
Amounts recognized as revenue during the year	(46,420)	(48,430)
Balance, end of year	\$ 187,308	\$ 45,913

6. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount of Central LHIN funding and donations received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The deferred capital contributions balance is comprised as follows:

	2018	2017
Contributions received for capital purposes	\$ 2,102,559	\$ 2,022,928
Less: accumulated amortization	(1,712,763)	(1,509,967)
	\$ 389,796	\$ 512,961

The changes in the deferred capital contributions balance are as follows:

Balance, beginning of year	\$ 512,961	\$ 555,657
Contributions received during the year	79,629	176,928
Amortization of deferred capital contributions	(202,794)	(219,624)
Balance, end of year	\$ 389,796	\$ 512,961

CHATS - Community & Home Assistance to Seniors Notes to Financial Statements

March 31, 2018

7. Funds Invested in Capital Assets

Funds invested in capital assets consist of the following:

	2018	2017
Capital assets, net of accumulated amortization	\$ 401,543	\$ 526,933
Less amounts financed by deferred capital contributions	(389,796)	(512,961)
	\$ 11,747	\$ 13,972

The change in funds invested in capital assets is calculated as follows:

Purchase of capital assets	\$ 79,629	\$ 176,928
Amortization of deferred capital contributions	202,794	219,624
Increase in net assets invested in capital assets	282,423	396,552
Amortization of capital assets	(205,019)	(221,853)
Deferred capital contributions received to finance purchases of capital assets	(79,629)	(176,928)
Decrease in net assets invested in capital assets	(284,648)	(398,781)
Change in net assets invested in capital assets	\$ (2,225)	\$ (2,229)

8. Pension Plan

CHATS sponsors a defined contribution pension plan for all salaried employees. During 2018, CHATS contributed \$77,318 (2017 - \$79,857) to this pension plan. This amount is included within employee benefits on the statement of operations.

9. Lease Commitments

CHATS operates from various leased premises. Those leases expire between March 31, 2019 to March 31, 2025. The future minimum lease payments for the next 5 years and thereafter are as follows:

2019	\$ 704,573
2020	442,684
2021	272,271
2022	277,236
2023	282,245
Thereafter	382,986
	\$ 2,361,995

CHATS - Community & Home Assistance to Seniors Notes to Financial Statements

March 31, 2018

10. Growth and Stabilization Fund

The Growth and Stabilization Fund represents accumulated operating revenues in excess of accumulated operating expenses from programs not funded by the Central LHIN. This internally restricted fund has been accumulated to provide for the short-term operational requirements of the Organization and to provide funds for strategic initiatives. The Board of Directors reviews the Growth and Stabilization Fund balance and policy on a regular basis.

11. Economic Dependence

Approximately 81% (2017 - 78%) of the Organization's revenues are derived from the Central LHIN. Should the Central LHIN cease funding the Organization, CHATS would either continue to operate at a greatly reduced capacity or cease operations.

12. Government Funding

Government funding is comprised of funding received from three agency's, the Central LHIN, Ministry of Health and Long Term Care, and Community Care Access Centres

	2018	2017
Central LHIN	\$ 14,664,526	\$ 13,580,803
Community Care Access Centres	18,780	304,606
Ministry of Health and Long Term Care	-	54,940
	\$ 14,683,306	\$ 13,940,349

13. Grants

Grants are comprised of funding received from various agencies including United Way, Ontario Trillium Foundation and Other.

	2018	2017
United Way	\$ 238,606	\$ 238,603
Ontario Trillium Foundation	72,067	201,356
Other	105,051	45,824
	\$ 415,724	\$ 485,783
