



MAKING CONNECTIONS FOR LIFE

2023/2024 ANNUAL REPORT

TOTAL COMMUNICATION ENVIRONMENT
2023/2024 ANNUAL REPORT

TABLE OF CONTENTS

TCE MISSION STATEMENT	2
TCE BOARD OF DIRECTORS	2
CHAIR REPORT, JUNE 2023- JUNE 2024	3
EXECUTIVE DIRECTOR’S REPORT FOR 2023-2024.....	4
TREASURER’S REPORT FOR 2023-2024	5
AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2023/2024	8

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 26, 2023 AGM to June 24, 2024 AGM

Theo Tsang, Chairperson

Ibithal Ridha, Treasurer (Resigned March 2024)

Christopher Wilson, Nominating Sub-Committee

Kenneth Anderson

Krista Simms

Colleen Thurston

Fareena Aslam

Karen Morin

TOTAL COMMUNICATION ENVIRONMENT

CHAIRPERSON'S REPORT 2023- 2024

The 2024 fiscal year brought upon significant changes to TCE at both the board and management levels. As Acting Chairperson, I can only commend the many stakeholders of TCE for their ongoing resilience and support to the organization. Their unwavering dedication allowed TCE to progress through each challenge encountered while continuing to uphold the values and principles of the organization.

At the beginning of the fiscal year, and just prior to last year's annual general meeting (AGM), it was communicated that Karen Belyea was retiring in July 2023 from her position as Executive Director. A pillar of the organization following 37 years of service and commitment, this brought upon an important period of transition for the organization that was thankfully softened by the appointment of D.J. McDonald as Acting Executive Director. The board would like to acknowledge D.J. for the extended period of time in which he served as Acting Executive Director towards providing TCE with much needed stability.

The board, in collaboration with Pooran Law, was also able to complete the revision of TCE's bylaws. These changes covered topics such as the composition and term limits of the board of directors as well as updating the official purposes of the organization. In completing this exercise, the board was able to ensure that TCE would be in compliance with the new Ontario Not-for-Profit Corporations Act (ONCA) ahead of the October 2024 deadline. The Articles of Amendment containing the required changes were submitted following approval at last year's AGM.

Also mentioned at last year's AGM was the work started by the board's Succession Planning Subcommittee. The board enlisted the consulting services of SIGMA Assessment Systems Inc. in reviewing all of TCE's key roles. The culmination of the analysis prepared by SIGMA was presented to the board in September 2023 and provided the necessary insight required in the Succession Planning Subcommittee's search for TCE's new Executive Director.

Despite being already equipped with SIGMA's succession planning report and Karen's resources, the board also turned to Helen Sanderson Associates Canada to assist in our search for a new ED. The board couldn't be happier in having selected Robin Meyers as TCE's new Executive Director where she was able to make her return to TCE official in December 2023. We have enjoyed collaborating with her and are excited for the leadership that she brings to TCE.

The board acknowledges Jessica Martineau for earning her Certified Human Resources Professional (CHRP) designation this past fiscal year. As the new Director of HR, Jessica will be invaluable in her commitment to supporting and caring for our employees.

We have several additions to the board this year which will ensure that the proper oversight is maintained in all facets of the organization. These additions, in conjunction with the continued personal growth of our stable of returning board members, will position TCE to effectively explore important priorities such as housing and financial resiliency in this coming fiscal year.

Theodore Tsang CPA, CA, MAcc
Acting Chairperson

EXECUTIVE DIRECTOR'S REPORT FOR 2023-2024

I am delighted to have joined Total Communication Environment (TCE) and to work with such a dedicated and talented team. Since December 2023, I have witnessed significant progress and development across our organization. Below, I share the key highlights from December 2023 to March 31, 2024.

From the outset, my priority has been to meet and work towards building strong relationships with TCE individuals we support, families, and staff. I attended holiday events, visited program sites, staff meetings, and Family Support Network Meetings. All these opportunities provided valuable insights into TCE's strengths and areas for improvement. In April 2024, we held a staff appreciation week to recognize our staff team.

In terms of program impact, several key developments stand out. A presentation at the Ottawa Developmental Services Network (ODSN) generated several referrals. Before seeking new referrals, we focused internally to ensure the individuals we support had the optimal living environment. We have successfully supported several internal moves through February and March 2024.

Strategically, we have been proactive in several areas. I attended the Inclusion Symposium, focusing on Equity, Diversity, and Inclusion (EDI), and have proposed action plans for EDI implementation. We have struck a housing committee and are working towards the development of an EDI plan for TCE that will include a dedicated committee. Our strategic planning sessions have been scheduled in June and July 2024 to refresh TCE's strategic plan, with a focus on actionable outcomes.

Compliance and governance have also been key areas of focus. We completed the Ministry's Transfer Payment Recipient Risk Assessment (TPR RA) and have strategized on filling vacancies and optimizing resource allocation to ensure compliance. We were hopeful for an increase in funding from the Ministry this year. However, as of now, this has not materialized. TCE will need your support in actively seeking improvements to funding and support from our Ministry and local politicians in the fall.

I extend my heartfelt gratitude to the Board, staff, residents, families, and all relevant parties for their ongoing support and dedication. Together, we will continue to uphold TCE's values and principles, ensuring our organization's success and stability.

Warm regards,

Robin Meyers DSW, MBA
Executive Director
Total Communication Environment

TOTAL COMMUNICATION ENVIRONMENT

TREASURER'S REPORT FOR 2023-2024

The economic pressures and challenges that TCE faces continued to grow in the fiscal year ending March 31, 2024. Fortunately, the organization benefits from strong financial leadership which enabled TCE to act proactively. An elaborate business case was made to the Ministry of Children, Community and Social Services (MCCSS) with the hope of securing additional funding so that TCE could continue providing high quality care to its residents. Thankfully, TCE's ministry representative Amine Kara advocated for TCE and we received approximately \$1.4M of one-time supplemental funding during the year.

Financial Position

TCE's cash position decreased over the year as the organization invested in improving the condition of all its properties. Funds for approved projects by MCCSS were received at the end of last year and presented as deferred revenue under fiscal year 2023. The completion of these projects is depicted in the Statement of Financial Position through a reduction of the deferred revenue amount found under current liabilities.

Operating Results

The one-time supplemental funding that was received from MCCSS accounts for the increase in revenue year-over-year. This was critical as expenses grew 6% stemming from a multitude of factors including increased inflation driving up operating costs and wages as well as the higher level of repairs and maintenance performed on all properties. TCE continues to be committed to providing exceptional homes and ensuring the homes meet the needs of their respective residents.

Net Assets

The impact of having positive net revenue over expenses has enabled TCE to exit from its deficit position following last year's financial results. The organization now stands at a small positive balance.

Audit Opinion

TCE's auditors, Welch LLP, issued an unmodified opinion on the fiscal year 2024 financial statements and did not identify any material weaknesses, significant deficiencies, or areas of noncompliance with laws and regulations.

Acknowledgements

On behalf of the board, we would like to recognize the efforts of Don Davidson and the rest of TCE's Finance team. As Director of Finance, Don ensured financial reporting was accurate and prepared in a timely manner. This enabled the board to provide the appropriate oversight throughout the year.

The board would also like to acknowledge Ibtihaal Ridha who resigned from the board in March at the conclusion of this past fiscal year. Ibtihaal had served as Treasurer of TCE since December 2019. In her role, she was able to provide support to TCE's management team in their efforts to effectively manage the organization's finances.

Theodore Tsang CPA, CA, MAcc
Acting Treasurer

AUDITED FINANCIAL STATEMENTS FISCAL YEAR 2023/2024

FINANCIAL STATEMENTS
For
TOTAL COMMUNICATION ENVIRONMENT
For year ended
MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of

TOTAL COMMUNICATION ENVIRONMENT

Opinion

We have audited the financial statements of Total Communication Environment (the Organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



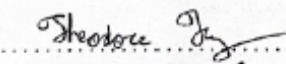
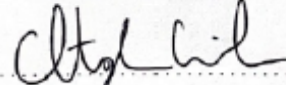
Chartered Professional Accountants
Licensed Public Accountants

Ottawa, Ontario
May 27, 2024.

TOTAL COMMUNICATION ENVIRONMENT
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,010,967	\$ 1,412,803
Accounts receivable	226,153	129,927
Prepaid expenses	<u>76,547</u>	<u>48,217</u>
	1,313,667	1,590,947
CAPITAL ASSETS (note 4)	<u>5,135,248</u>	<u>4,849,858</u>
	<u>\$ 6,448,915</u>	<u>\$ 6,440,805</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,098,870	\$ 918,458
Deferred revenue (note 8)	74,277	703,383
Current portion of long-term debt (note 5)	<u>14,654</u>	<u>19,396</u>
	1,187,801	1,641,237
LONG-TERM DEBT (note 5)	80,266	94,909
DEFERRED FUNDING RELATED TO CAPITAL ASSETS (note 6)	<u>2,695,036</u>	<u>2,480,103</u>
	<u>3,963,103</u>	<u>4,216,249</u>
NET ASSETS		
Invested in capital assets	2,345,303	2,255,450
Restricted to capital reserve fund (note 9)	128,558	124,120
Unrestricted	<u>11,951</u>	<u>(155,014)</u>
	<u>2,485,812</u>	<u>2,224,556</u>
	<u>\$ 6,448,915</u>	<u>\$ 6,440,805</u>

Approved by Board:

 Director
 Director

(See accompanying notes)

TOTAL COMMUNICATION ENVIRONMENT
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
Revenue		
MCCSS legal agreements	\$ 13,710,324	\$ 12,595,877
Residents' fees	910,146	827,808
Donations	136,889	254,517
Other income	237,924	57,653
Amortization of deferred funding related to capital assets	<u>151,793</u>	<u>150,969</u>
	<u>15,147,076</u>	<u>13,886,824</u>
Expenses		
Salaries and benefits	12,494,078	12,193,363
Home operation	1,085,697	709,310
Personal needs	535,800	495,368
Vehicle operations	255,677	231,131
Purchased services	223,069	140,238
Amortization	147,427	145,780
General and administration	95,580	70,521
Long-term care	41,420	67,581
Staff travel	<u>7,072</u>	<u>5,940</u>
	<u>14,885,820</u>	<u>14,059,232</u>
Net revenue over expenses (expenses over revenue)	<u>\$ 261,256</u>	<u>\$ (172,408)</u>

(See accompanying notes)

TOTAL COMMUNICATION ENVIRONMENT
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2024

	<u>Invested in capital assets</u>	<u>Restricted to capital reserve fund (note 9)</u>	<u>Unrestricted</u>	<u>2024 Total</u>	<u>2023 Total</u>
Balance, beginning of year	\$ 2,255,450	\$ 124,120	\$ (155,014)	\$ 2,224,556	\$ 2,396,964
Net revenue over expenses (expenses over revenue)	-	-	261,256	261,256	(172,408)
Acquisition of capital assets	432,817	-	(432,817)	-	-
Amortization of capital assets	(147,427)	-	147,427	-	-
Repayment of debt principal (note 5)	19,396	-	(19,396)	-	-
Net change in deferred funding related to capital assets	(214,933)	-	214,933	-	-
Interfund transfer	<u>-</u>	<u>4,438</u>	<u>(4,438)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 2,345,303</u>	<u>\$ 128,558</u>	<u>\$ 11,951</u>	<u>\$ 2,485,812</u>	<u>\$ 2,224,556</u>

(See accompanying notes)

TOTAL COMMUNICATION ENVIRONMENT
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net revenue over expenses (expenses over revenue)	\$ 261,256	\$ (172,408)
Items not involving cash:		
Amortization of capital assets	147,427	145,780
Amortization of deferred funding relating to capital assets	<u>(151,793)</u>	<u>(150,966)</u>
	256,890	(177,594)
Changes in non-cash working capital components:		
Accounts receivable	(96,226)	48,121
Prepaid expenses	(28,330)	(9,185)
Accounts payable and accrued liabilities	180,412	(65,193)
Deferred revenue	<u>(629,106)</u>	<u>386,072</u>
	<u>(316,360)</u>	<u>182,221</u>
INVESTING ACTIVITIES		
Purchase of capital assets	<u>(432,817)</u>	<u>(86,744)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(19,385)	(23,835)
Additional deferred funding of capital assets received	<u>366,726</u>	<u>59,141</u>
	<u>347,341</u>	<u>35,306</u>
INCREASE (DECREASE) IN CASH	(401,836)	130,783
CASH, BEGINNING OF YEAR	<u>1,412,803</u>	<u>1,282,020</u>
CASH, END OF YEAR	<u>\$ 1,010,967</u>	<u>\$ 1,412,803</u>

(See accompanying notes)

**TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2024**

1. NATURE OF OPERATIONS

Total Communication Environment (the "Organization") was incorporated, without share capital, in November 1979 and has continued under the Canada Not-For-Profit Corporations Act. 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, the Organization is not subject to income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The 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 contributions for not-for-profit organizations.

Restricted contributions, including ministry funding and donations, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and other income 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. Resident's fees are recognized as revenue for the period during which residential care services are provided.

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.

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 Children, Community and Social Services ("MCCSS").

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.

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. Management makes estimates in determining the collectibility of the organization's accounts receivable and related allowance for doubtful accounts, the useful life of the Organization's capital assets and in determining certain significant accruals. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

Financial instruments

The Organization initially records its financial assets and liabilities at fair value. The Organization subsequently measures its cash at fair value at the date of the statement of financial position. All other financial instruments are subsequently recorded at cost or amortized cost at the date of the statement of financial position.

TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2024.

The Organization does not use derivative financial instruments to manage its risks.

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk is the carrying value of its cash and its accounts receivable. The Organization's cash is deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. The Organization manages the credit risk of accounts receivable by reviewing monthly aged accounts receivable balances and following up on outstanding amounts. For the year ended March 31, 2023, the Organization believes that all significant accounts are collectible and as such has provided no amounts for doubtful accounts (2023 - \$nil).

Liquidity risk

Liquidity risk is the risk that the Organization cannot meet a demand for cash or fund its obligations as they become due. The Organization meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flow from operations and by anticipating investing and financing activities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

i) *Currency risk*

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Organization's financial instruments are all denominated in Canadian dollars and the Organization transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) *Interest rate risk*

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

As discussed in note 5, the Organization manages this risk by holding long-term debt with fixed interest rates.

iii) *Other price risk*

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The Organization is not exposed to other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

4. CAPITAL ASSETS

Capital assets consist of the following:

	2024			2023
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 2,560,000	\$ -	\$ 2,560,000	\$ 2,560,000
Baxter House (Golden Avenue Residence)	726,560	433,625	292,935	265,029
Anderson Place residence	170,727	88,116	82,611	86,959
Eleanor Drive residence	345,526	258,189	87,337	91,933
Hillmount Crescent residence	494,529	237,094	257,435	202,479
Kirkwood Avenue residence	678,043	441,999	236,044	248,468
Quinn Road residence	697,033	412,834	284,199	275,251
Riverbend residence	643,429	343,608	299,821	287,714
Rosebella residence	283,854	139,809	144,045	151,626
Starwood residence	385,043	145,597	239,446	252,049
Wilson House residence	501,507	253,006	248,501	199,056
Wyman residence	504,179	268,681	235,498	197,820
Vehicles	37,880	24,887	12,993	18,561
Office equipment	42,108	42,108	-	-
Computer equipment	171,246	171,246	-	5,506
Leasehold improvements - Kilbarron	212,342	125,740	86,602	-
- Dunbar	67,781	-	67,781	7,407
- Admin	28,527	28,527	-	-
	<u>\$ 8,550,314</u>	<u>\$ 3,415,066</u>	<u>\$ 5,135,248</u>	<u>\$ 4,849,858</u>

Cost and accumulated amortization at March 31, 2023 amounted to \$8,117,497 and \$3,267,639, respectively.

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 the Organization, however, the Organization has an agreement with LHDP that if the Organization 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 LHDP. In 2005, the residence was rebuilt and re-named Baxter House. In 2016, MCCSS repaid the outstanding balance on this mortgage as part of their funding to the Organization.

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

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

TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

4. CAPITAL ASSETS - Cont'd.

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 MCCSS. The deed is in the name of the Organization, 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 MCCSS.

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 the Organization, however, should the Organization 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 MCCSS. The deed is in the name of the Organization, however, should the residence cease to be operated as a group home, all proceeds from sale will be repaid to MCCSS. 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 MCCSS. The deed is in the name of the Organization, 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 MCCSS.

The residence at 3554 Wyman Crescent, an adult group home, was purchased in 2005 with all of the funding provided by MCCSS. The deed is in the name of the Organization, however, should the residence cease to be operated as a group home, all of the proceeds from sale will be repaid to MCCSS. In 2014, MCCSS 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 MCCSS. 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 MCCSS. Should the Riverbend residence cease to be used as a group home, all of the proceeds from sale will be paid to MCCSS less the Organization's initial contribution.

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

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 MCCSS. The deed is in the name of the Organization, however, should the residence cease to be operated as a group home, all proceeds from sale will be paid to MCCSS. In 2017, MCCSS repaid the outstanding balance on this mortgage as part of their funding to the Organization.

TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

5. LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2024</u>	<u>2023</u>
Quinn Road mortgage payable at \$1,339 monthly including interest at 2.42%, due April 1, 2025	\$ 94,920	\$ 109,213
Anderson Place mortgage - fully repaid in the year	<u>-</u>	<u>5,092</u>
	94,920	114,305
Less current portion of long-term debt	<u>14,654</u>	<u>19,396</u>
	<u>\$ 80,266</u>	<u>\$ 94,909</u>

Principal repayments required until maturity are as follows:

2025	\$ 14,654
2026	<u>80,266</u>
	<u>\$ 94,920</u>

6. 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.

	<u>2024</u>	<u>2023</u>
CMHC funding for Kirkwood Avenue residence	\$ 86,310	\$ 90,853
CMHC funding for Hillmount Crescent residence	45,258	47,640
LHDP funding for Kirkwood Avenue residence	176,462	185,750
MCCSS funding for Anderson Place	36,240	38,147
MCCSS funding for Baxter House	190,203	156,632
MCCSS funding for Eleanor Drive residence	128,753	135,530
MCCSS funding for Hillmount Crescent residence	230,090	173,695
MCCSS funding for Riverbend residence	449,091	450,308
MCCSS funding for Rosabella building	52,085	54,826
MCCSS funding for Starwood building	350,282	368,719
MCCSS funding for Quinn residence	267,405	257,573
MCCSS funding for Wyman Crescent residence	197,888	158,231
MCCSS funding for Kilbarron residence	86,602	-
MCCSS and private funding for Wilson House residence	250,850	201,528
Private funding for Baxter House	18,624	19,861
Private funding for Riverbend residence	115,900	122,249
Privately donated funding for vehicles	<u>12,993</u>	<u>18,561</u>
	<u>\$ 2,695,036</u>	<u>\$ 2,480,103</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.

TOTAL COMMUNICATION ENVIRONMENT
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2024

7. CREDIT FACILITIES

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%. The line of credit is secured by collateral including the following properties; Golden Avenue residence, Eleanor Drive residence, Hillmount Crescent residence, Wilson House residence and Starwood residence. As at year end, there was an outstanding balance of \$Nil (2023 - \$Nil) on this line of credit.

8. CONTRACT WITH MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

A requirement of the contract with MCCSS is the production, by management, of an Annual Reconciliation Report ("ARR") which shows a summary by service of all revenues and expenditures and any resulting surplus or deficit that relates to the contract. The operational surplus for the March 2024 year end after authorized code allocations amounted to \$Nil payable to MCCSS (2023 - \$Nil). During the year, the Organization received \$278,200 (2023 - \$621,400) of funding from MCCSS for the purchase of minor capital. Any unspent funds will be returned to the MCCSS and as a result an amount of \$204,348 is repayable to MCCSS (2023 - \$Nil).

9. CAPITAL RESERVE FUND

Under the terms of its funding agreement with MCCSS for the Quinn Road and Leeming Road residences, TCE is required to set aside certain funds each year as a reserve. This year, the fund increased by \$4,438 (2023 - increase of \$4,438).

10. COMMITMENTS

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

2025	\$ 186,040
2026	180,758
2027	164,445
2028	148,806
2029	131,884

11. ECONOMIC DEPENDENCE

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



Tel: 613-228-0999 | Fax: 613-228-1402 | TDD 613-228-8669
www.tceottawa.org | BN: 11926 7714 RR0001