

**COMMUNITY LIVING BRITISH COLUMBIA**

**Audited Financial Statements**

March 31, 2018

# COMMUNITY LIVING BRITISH COLUMBIA

## Management's Report

### ***Management's Responsibility for the Financial Statements***

The financial statements of Community Living British Columbia as at March 31, 2018, and for the year then ended, have been prepared by management in accordance with the basis of accounting described in Note 2(a). Other significant accounting policies are described in Notes 2(b)-(f) to the financial statements.

Management is responsible for the integrity and objectivity of these financial statements, and for ensuring that the notes to the financial statements are consistent with the information contained in the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that the financial information produced is reliable. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for the preparation and review of the financial statements.

The Board of Directors ("Board") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board reviews internal financial statements on a regular basis and external audited financial statements annually. The Board also discusses any significant financial reporting or internal control matters prior to its approval of the financial statements.

The external auditors, PricewaterhouseCoopers LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination, and their opinion on these financial statements. The external auditors have full and free access to management and the Board.

On behalf of Community Living British Columbia



Seonag Macrae  
Chief Executive Officer



Richard Hunter  
Vice President, Finance & Chief Financial Officer



May 17, 2018

## **Independent Auditor's Report**

**To the Board of Directors of  
Community Living British Columbia and  
To the Minister of Social Development and Poverty Reduction, Province of British  
Columbia**

We have audited the accompanying financial statements of Community Living British Columbia, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, 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 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.

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*PricewaterhouseCoopers LLP  
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**Opinion**

In our opinion, the financial statements which comprise the statement of financial position as at March 31, 2018 and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and the related notes, are prepared, in all material respects, in accordance with the accounting requirements of Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

**Emphasis of matter**

Without modifying our opinion, we draw your attention to note 2 of the financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian Public Sector Accounting Standards.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

# COMMUNITY LIVING BRITISH COLUMBIA

## Statement of Financial Position

(Expressed in thousands of dollars)

As at March 31

|  | 2018      | 2017      |
|--|-----------|-----------|
| <b>Financial Assets</b>                                  |           |           |
| Cash   | \$ 27,181 | \$ 27,717 |
| Accounts receivable (Note 5)                             | 2,657     | 2,155     |
| Employee retiring allowance amounts receivable (Note 6a) | 761       | 742       |
|  | 30,599    | 30,614    |
| <b>Liabilities</b>                                       |           |           |
| Accounts payable and accrued liabilities                 | 19,759    | 21,054    |
| Employee retiring allowance liabilities (Note 6a)        | 1,698     | 1,591     |
| Deferred operating contributions (Note 7)                | 7,334     | 4,843     |
| Deferred capital contributions (Note 8)                  | 11,395    | 10,591    |
|  | 40,186    | 38,079    |
| <b>Net Debt</b>  | (9,587)   | (7,465)   |
| <b>Non-Financial Assets</b>                              |           |           |
| Tangible capital assets (Notes 8 & 9)                    |           |           |
| Funded by capital contributions                          | 11,319    | 10,395    |
| Unfunded   | 1,630     | 468       |
|  | 12,949    | 10,863    |
| Prepaid expenses   | 386       | 350       |
|  | 13,335    | 11,213    |
| <b>Accumulated Surplus (Note 10)</b>                     | \$ 3,748  | \$ 3,748  |

Commitments, contractual obligations and contingencies (Note 15)

Approved on behalf of the Board:



Thomas P. Christensen  
Chair



David Roy Everett  
Finance & Audit Committee Chair

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

**COMMUNITY LIVING BRITISH COLUMBIA**  
**Statement of Operations and Accumulated Surplus**

(Expressed in thousands of dollars)

**For the year ended March 31**

|   | 2018<br>Budget | 2018<br>Actual | 2017<br>Actual |
|---|----------------|----------------|----------------|
|   | (Note 16)      |                |                |
| <b>Revenues</b>   |                |                |                |
| Operating contributions from the Province of British Columbia | \$ 933,200     | \$ 936,940     | \$ 871,165     |
| Cost sharing agreements with regional health authorities      | 15,600         | 15,572         | 15,309         |
| Interest income   | 670            | 944            | 689            |
| Other income  | 730            | 2,042          | 1,261          |
| Capital contributions (Note 8)                                | 3,600          | 3,330          | 3,197          |
|   | 953,800        | 958,828        | 891,621        |
| <b>Expenses (Note 14)</b>                                     |                |                |                |
| Supports and services:  |                |                |                |
| Developmental Disabilities Program                            | 861,400        | 869,460        | 810,557        |
| Personalized Supports Initiative                              | 26,900         | 25,710         | 20,842         |
| Provincial Services   | 4,900          | 4,791          | 4,644          |
| Regional operations & administration                          | 56,700         | 55,397         | 52,316         |
| Amortization of tangible capital assets (Note 9)              | 3,900          | 3,470          | 3,262          |
|   | 953,800        | 958,828        | 891,621        |
| <b>Annual surplus</b>   | \$ -           | -              | -              |
| Accumulated surplus at beginning of year                      |                | 3,748          | 3,748          |
| <b>Accumulated surplus at end of year</b>                     |                | \$ 3,748       | \$ 3,748       |

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

# COMMUNITY LIVING BRITISH COLUMBIA

## Statement of Changes in Net Debt

(Expressed in thousands of dollars)

### For the year ended March 31

|   | 2018<br>Budget | 2018<br>Actual | 2017<br>Actual |
|---|----------------|----------------|----------------|
|   | (Note 16)      |                |                |
| Annual surplus                          | \$ -           | \$ -           | \$ -           |
| Acquisition of tangible capital assets  | (5,700)        | (5,556)        | (3,544)        |
| Amortization of tangible capital assets | 3,900          | 3,470          | 3,262          |
|   | (1,800)        | (2,086)        | (282)          |
| (Increase) decrease in prepaid expenses |                | (36)           | 64             |
| <b>Increase in net debt</b>             |                | (2,122)        | (218)          |
| Net debt at the beginning of year       |                | (7,465)        | (7,247)        |
| <b>Net debt at the end of year</b>      |                | \$ (9,587)     | \$ (7,465)     |

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

# COMMUNITY LIVING BRITISH COLUMBIA

## Statement of Cash Flows

(Expressed in thousands of dollars)

### For the year ended March 31

|   | 2018      | 2017      |
|---|-----------|-----------|
| Cash provided by (used in):                   |           |           |
| <b>Operating activities</b>                   |           |           |
| Annual surplus                                | \$ -      | \$ -      |
| Items not involving cash:                     |           |           |
| Recognition of deferred capital contributions | (3,330)   | (3,197)   |
| Amortization of tangible capital assets       | 3,470     | 3,262     |
|   | 140       | 65        |
| Decrease in non-cash working capital          | 746       | 5,843     |
|   | 886       | 5,908     |
| <b>Financing activities</b>                   |           |           |
| Additions to deferred capital contributions   | 4,134     | 2,815     |
|   | 4,134     | 2,815     |
| <b>Capital activities</b>                     |           |           |
| Purchase of tangible capital assets           | (5,556)   | (3,544)   |
|   | (5,556)   | (3,544)   |
| <b>(Decrease) increase in cash</b>            | (536)     | 5,179     |
| Cash, beginning of year                       | 27,717    | 22,538    |
| <b>Cash, end of year</b>                      | \$ 27,181 | \$ 27,717 |
| Supplemental information:                     |           |           |
| Interest received                             | \$ 944    | \$ 748    |

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



# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

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### 1. Authority and purpose

Community Living British Columbia ("CLBC") was established on July 1, 2005 under the Community Living Authority Act as a Crown Corporation of the Province of British Columbia. CLBC is accountable to the provincial government through the Minister of Social Development and Poverty Reduction (the "Minister") and is dependent on the Ministry of Social Development and Poverty Reduction ("SDPR") for funding.

CLBC provides community living support to adults with either a developmental disability or a significant limitation in adaptive functioning along with a diagnosis of Fetal Alcohol Spectrum Disorder or Pervasive Developmental Disorder.

Supports and services are delivered throughout the province of British Columbia by independent service providers under contract with CLBC and by the Provincial Assessment Centre of CLBC.

Under the Community Living Authority Act, CLBC is exempt from both federal and provincial income and capital taxes.

### 2. Significant accounting policies

#### a) Basis of accounting

These financial statements have been prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of British Columbia.

In accordance with that Act, CLBC's accounting policies and practices conform to Canadian public sector accounting standards ("PSAS") as modified by the accounting policy for government transfers that are restricted for tangible capital assets ("capital contributions") described in Note 2(b).

This modified basis of accounting is different from PSAS with respect to the timing of revenue recognition for capital contributions. PSAS requires that capital contributions are recognized as revenue when the related expenditures are incurred. If CLBC had recorded capital contributions under PSAS rather than the accounting policy described in Note 2(b), capital contributions recognized as revenue and the annual surplus for the year ended March 31, 2018 would have increased by \$924 (2017 – decreased by \$173). As at March 31, 2018, deferred capital contributions used to purchase tangible capital assets would have decreased and the accumulated surplus would have increased by \$11,319 (2017 – increased by \$10,395). Under PSAS, the total cash flows from operating, financing, and capital activities for the years ended March 31, 2018 and 2017 would have been the same as reported in these financial statements.

#### b) Revenue recognition

Operating contributions are accounted for in accordance with PS 3410 – *Government Transfers*. Under PS 3410, contributions without stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, and contributions that are subject to stipulations are recognized as revenue in the period when such stipulations are met.

Capital contributions are deferred and recognized as revenue at the same rate as the amortization, and any impairment, of the tangible capital asset.

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

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### 2. Significant accounting policies (continued)

#### b) Revenue recognition (continued)

Cost sharing agreements with the Province of British Columbia and related entities, interest income and other income are recognized as revenue in the period the transactions or events giving rise to the revenues occur.

#### c) Financial instruments

Financial instruments include cash, accounts receivable, accounts payable and accrued liabilities.

Financial instruments are accounted for in accordance with PS 3450 – *Financial Instruments*. Accounts receivable are carried at cost less a valuation allowance. Accounts payable and accrued liabilities are carried at cost or an estimate thereof.

#### d) Tangible capital assets

Tangible capital assets are initially recorded at cost. When a tangible capital asset no longer contributes to CLBC's ability to provide services, or the future economic benefit to be provided by a tangible capital asset has permanently declined below its book value, the carrying value of the asset is reduced to reflect the decline in value. Amortization is calculated on a straight-line basis over the assets' estimated useful lives or lease terms at the following rates:

|                         |                                    |
|-------------------------|------------------------------------|
| Leasehold improvements  | Lease term to a maximum of 5 years |
| Vehicles                | 7 years                            |
| Furniture and equipment | 5 years                            |
| Information systems     | 3-5 years                          |

Information systems work-in-progress represents the unamortized costs incurred for the development of information technology which is not substantially complete. On completion, the work-in-progress balance is transferred to the completed assets account and amortized over its estimated useful life.

#### e) Employee future benefits

Liabilities are recorded for employee retiring allowance benefits as employees render services to earn those benefits. The actuarial determination of the accrued benefit obligations uses the projected benefit method pro-rated on service. That method incorporates management's best estimate of future salary levels, retirement ages of employees, and other actuarial factors.

Defined contribution plan accounting is applied to the multi-employer defined benefit pension plan because sufficient information is not available to apply defined benefit accounting. Accordingly, contributions are expensed as they become payable.

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

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### 2. Significant accounting policies (continued)

f) New accounting standards adopted

Effective April 1, 2017, CLBC adopted sections PS 2200 – *Related Party Disclosures*, PS 3210 – *Assets*, PS 3320 – *Contingent Assets*, PS 3380 – *Contractual Rights and* PS 3420 – *Inter-entity Transactions*. The adoption of these standards does not have a material impact on the financial statements.

### 3. Measurement uncertainty

In preparing these financial statements, management has made estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Significant areas requiring the use of management estimates include the determination of accrued liabilities. Actual results could differ from these estimates.

### 4. Comparatives

Certain comparative figures have been reclassified to conform to the current year's presentation.

### 5. Accounts receivable

|   | 2018     | 2017     |
|---|----------|----------|
| Due from the Province of British Columbia | \$ 408   | \$ 309   |
| GST recoverable                           | 691      | 381      |
| Due from health authorities               | 321      | 230      |
| Other receivables                         | 2,194    | 1,686    |
|   | 3,614    | 2,606    |
| Valuation allowance                       | (957)    | (451)    |
|   | \$ 2,657 | \$ 2,155 |

### 6. Employee future benefits

a) Employee retiring allowance benefits

Employees with 20 years of service and having reached a certain age are entitled to receive certain lump sum payments upon retirement. These retiring allowance benefit payments are based upon final salary levels and the number of years of service.

Where employees of CLBC have accrued service with other British Columbia government organizations, under an agreement between CLBC and the BC Public Service Agency ("PSA"), the portion of retiring allowance benefits attributable to periods of employee service other than at CLBC, is recoverable from the PSA.

Retiring allowance liabilities and the related receivable from PSA as of March 31, 2018 and 2017 are based on an actuarial valuation as at March 31, 2017. The next actuarial valuation will be as at March 31, 2020.

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

### 6. Employee future benefits (continued)

#### a) Employee retiring allowance benefits (continued)

|                                       | 2018     | 2017     |
|---------------------------------------|----------|----------|
| Benefit obligation, beginning of year | \$ 1,591 | \$ 1,563 |
| Service cost                          | 110      | 90       |
| Interest cost                         | 54       | 63       |
| Benefit payments                      | (57)     | (137)    |
| Actuarial loss                        | -        | 12       |
| Benefit obligation, end of year       | \$ 1,698 | \$ 1,591 |
| Amount recoverable from PSA           | 761      | 742      |
| Assumed discount rate                 | 3.40%    | 3.40%    |
| Assumed rate of compensation increase | 3.75%    | 3.75%    |
|                                       | 2018     | 2017     |
| Service cost                          | \$ 110   | \$ 90    |
| Interest cost                         | 54       | 63       |
| Actuarial loss                        | -        | 12       |
| Benefits expense                      | \$ 164   | \$ 165   |

#### b) Employee pension benefits

CLBC and its employees contribute to the Public Service Pension Plan (the "Plan"), a multi-employer defined benefit plan administered by the British Columbia Pension Corporation. The Plan has approximately 59,000 active members of which 556 (2017 – 524) are employees of CLBC.

CLBC's contributions to the Plan of \$3,360 (2017 – \$3,136) were expensed during the year.

The most recent actuarial valuation, as at March 31, 2017, indicated a funding surplus of \$1,896 for basic pension benefits. The next actuarial valuation will be as at March 31, 2020 with results available in 2021.

### 7. Deferred operating contributions

Deferred operating contributions represent unspent amounts received from the Province of British Columbia that are restricted for specific operating purposes. Amounts recognized as revenue in the Statement of Operations are recorded as operating contributions from the Province of British Columbia.

|   | 2018     | 2017     |
|---|----------|----------|
| Deferred operating contributions, beginning of year | \$ 4,843 | \$ 97    |
| Restricted operating contributions received         | 43,909   | 17,674   |
| Amounts recognized as revenue                       | (41,418) | (12,928) |
| Deferred operating contributions, end of year       | \$ 7,334 | \$ 4,843 |

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

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### 8. Deferred capital contributions

Deferred capital contributions represent amounts received from the Province of British Columbia, restricted for the purposes of acquiring tangible capital assets, which have not been recognized as revenue.

| Deferred capital contributions:                        | 2018      |         |           | 2017      |
|--|-----------|---------|-----------|-----------|
|  | Spent     | Unspent | Total     |           |
| Balance, beginning of year                             | \$ 10,395 | \$ 196  | \$ 10,591 | \$ 10,973 |
| Contributions received                                 | -         | 4,134   | 4,134     | 2,815     |
| Contributions used to purchase tangible capital assets | 4,254     | (4,254) | -         | -         |
| Amounts recognized as revenue                          | (3,330)   | -       | (3,330)   | (3,197)   |
| Balance, end of year                                   | \$ 11,319 | \$ 76   | \$ 11,395 | \$ 10,591 |

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Funded and unfunded tangible capital assets at net book value:

|                            | 2018      |          |           | 2017      |
|----------------------------|-----------|----------|-----------|-----------|
|                            | Funded    | Unfunded | Total     |           |
| Balance, beginning of year | \$ 10,395 | \$ 468   | \$ 10,863 | \$ 10,581 |
| Purchases                  | 4,254     | 1,302    | 5,556     | 3,544     |
| Amortization               | (3,330)   | (140)    | (3,470)   | (3,262)   |
| Balance, end of year       | \$ 11,319 | \$ 1,630 | \$ 12,949 | \$ 10,863 |

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

### 9. Tangible capital assets

|                                  | Leasehold<br>improve-<br>ments | Vehicles | Furniture and<br>equipment | Information<br>systems | Information<br>systems<br>work-in-<br>progress | Total     |
|----------------------------------|--------------------------------|----------|----------------------------|------------------------|--|-----------|
| <b>Cost:</b>                     |                                |          |                            |                        |  |           |
| March 31, 2016                   | \$ 2,862                       | \$ 1,038 | \$ 1,312                   | \$ 23,175              | \$ 1,488                                       | \$ 29,875 |
| Additions                        | 520                            | 78       | 82                         | -                      | 2,864  | 3,544     |
| Disposals                        | -                              | -        | (2)                        | (5,883)                | -  | (5,885)   |
| Transfers                        | -                              | -        | -                          | 2,176                  | (2,176)  | -         |
| March 31, 2017                   | \$ 3,382                       | \$ 1,116 | \$ 1,392                   | \$ 19,468              | \$ 2,176                                       | \$ 27,534 |
| Additions                        | 1,302                          | 123      | 420                        | -                      | 3,711  | 5,556     |
| Disposals                        | -                              | (64)     | (119)                      | (5,303)                | -  | (5,486)   |
| Transfers                        | -                              | -        | -                          | 2,903                  | (2,903)  | -         |
| March 31, 2018                   | \$ 4,684                       | \$ 1,175 | \$ 1,693                   | \$ 17,068              | \$ 2,984                                       | \$ 27,604 |
| <b>Accumulated Amortization:</b> |                                |          |                            |                        |  |           |
| March 31, 2016                   | \$ 1,703                       | \$ 730   | \$ 1,018                   | \$ 15,843              | \$ -   | \$ 19,294 |
| Additions                        | 364                            | 82       | 121                        | 2,695                  | -  | 3,262     |
| Disposals                        | -                              | -        | (2)                        | (5,883)                | -  | (5,885)   |
| Transfers                        | -                              | -        | -                          | -                      | -  | -         |
| March 31, 2017                   | \$ 2,067                       | \$ 812   | \$ 1,137                   | \$ 12,655              | \$ -   | \$ 16,671 |
| Additions                        | 400                            | 80       | 92                         | 2,898                  | -  | 3,470     |
| Disposals                        | -                              | (64)     | (119)                      | (5,303)                | -  | (5,486)   |
| Transfers                        | -                              | -        | -                          | -                      | -  | -         |
| March 31, 2018                   | \$ 2,467                       | \$ 828   | \$ 1,110                   | \$ 10,250              | \$ -   | \$ 14,655 |
| <b>Net Book Value:</b>           |                                |          |                            |                        |  |           |
| March 31, 2017                   | \$ 1,315                       | \$ 304   | \$ 255                     | \$ 6,813               | \$ 2,176                                       | \$ 10,863 |
| March 31, 2018                   | \$ 2,217                       | \$ 347   | \$ 583                     | \$ 6,818               | \$ 2,984                                       | \$ 12,949 |

### 10. Accumulated surplus

The accumulated surplus of \$3,748 at March 31, 2018 and 2017 includes \$1,272 resulting from the transfer of the net assets of the Interim Authority for Community Living British Columbia to CLBC on October 7, 2005. CLBC has issued and registered to the Minister of Finance one share with a par value of ten dollars, which is also included in accumulated surplus.

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

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### 11. Financial instruments

In management's opinion, CLBC is not exposed to significant credit, currency, interest rate, liquidity and market risks relating to the valuation of financial instruments.

Cash is held in a savings account and is insured by the Credit Union Deposit Insurance Corporation. CLBC routinely monitors receivables for credit risk through analysis of the nature, terms and aging of receivables. CLBC's maximum exposure to credit risk at March 31, 2018 is \$29,838 (2017 - \$29,872) of which \$28,601 (2017 - \$28,637) is insured by the Credit Union Deposit Insurance Corporation, or is due from the Province of British Columbia, its health authorities or the Government of Canada.

Accounts payable and accrued liabilities are payable within one year.

### 12. Related party transactions

CLBC is related to various British Columbia public sector entities through common control by the Province of British Columbia. Transactions with these entities and the Province of British Columbia are recorded at fair value.

The financial statements include transactions and balances with related parties as follows:

|   | 2018              |                                 | 2017              |                                 |
|---|-------------------|---------------------------------|-------------------|---------------------------------|
|   | Province<br>of BC | BC public<br>sector<br>entities | Province<br>of BC | BC public<br>sector<br>entities |
| For the year ended March 31:                                  |                   |                                 |                   |                                 |
| Operating contributions from the Province of British Columbia | \$ 936,940        | \$ -                            | \$ 871,165        | \$ -                            |
| Supports and services:  |                   |                                 |                   |                                 |
| Developmental Disabilities Program                            | -                 | 2,550                           | -                 | -                               |
| As at March 31:   |                   |                                 |                   |                                 |
| Deferred operating contributions                              | 7,334             | -                               | 4,843             | -                               |
| Deferred capital contributions                                | 11,395            | -                               | 10,591            | -                               |

### 13. Segment reporting

CLBC operates in one business segment as described in Note 1.

# COMMUNITY LIVING BRITISH COLUMBIA

## Notes to the Financial Statements

(Expressed in thousands of dollars)

March 31, 2018

### 14. Expenses by object

|   | 2018       | 2017       |
|---|------------|------------|
| Contracted supports and services          | \$ 896,843 | \$ 833,051 |
| Compensation and benefits                 | 43,222     | 40,793     |
| Facilities                                | 5,044      | 5,435      |
| Communications and information technology | 4,354      | 4,172      |
| General expenses                          | 3,911      | 3,289      |
| Administration                            | 1,984      | 1,619      |
| Amortization of tangible capital assets   | 3,470      | 3,262      |
|   | \$ 958,828 | \$ 891,621 |

### 15. Commitments, contractual obligations and contingencies

a) Operating lease commitments

CLBC leases premises under operating leases. Minimum future lease payments as at March 31, 2018 are as follows:

| Year ending March 31, |          |
|-----------------------|----------|
| 2019                  | \$ 4,107 |
| 2020                  | 3,927    |
| 2021                  | 3,646    |
| 2022                  | 2,273    |
| 2023                  | 857      |
| 2024 and beyond       | 2,017    |

b) Contractual obligations

Contracted supports and services are primarily delivered by independent service providers under the terms of contracts which have termination notice periods of between 30 and 90 days.

c) Litigation

The nature of CLBC's activities is such that there is occasional litigation where CLBC is named as a defendant. With respect to known claims, management is of the opinion that CLBC has valid defences and appropriate insurance or other coverage in place, or if there is unfunded risk, such claims are not expected to have a material effect on CLBC's financial position and results of operations. Where it is determined that a liability is likely to exist and the amount can be reasonably determined, the amount is recorded as an accrued liability and an expense.

### 16. Budgeted figures

Budgeted figures are provided for comparison purposes and represent the approved budget as disclosed in the CLBC 2017/18 Service Plans.

### 17. Accounting standards not yet adopted

PS 3430 – *Restructuring Transactions* has been issued by the Public Sector Accounting Board and is required to be implemented for fiscal years beginning on or after April 1, 2018.