

Financial Statements of

**BRAMPTON CALEDON
COMMUNITY LIVING**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of Brampton Caledon Community Living

Opinion

We have audited the financial statements of Brampton Caledon Community Living (the Entity), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2020, and its results of 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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.



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- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

October 22, 2020

BRAMPTON CALEDON COMMUNITY LIVING

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash (note 2)	\$ 2,581,626	\$ 2,362,470
Accounts and grants receivable	280,798	380,151
Prepaid expenses	307,865	294,000
	<u>3,170,289</u>	<u>3,036,621</u>
Capital assets (note 3)	2,265,310	2,358,495
	<u>\$ 5,435,599</u>	<u>\$ 5,395,116</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 2,371,460	\$ 2,331,849
Accrued vacation pay (note 8)	1,034,520	963,875
Deferred revenue	162,549	125,914
	<u>3,568,529</u>	<u>3,421,638</u>
Deferred contributions related to capital assets (note 5)	254,605	261,102
Net assets:		
Invested in capital assets (note 6)	2,010,705	2,097,393
Internally restricted (note 7)	193,994	191,335
Unrestricted (note 8)	<u>(592,234)</u>	<u>(576,352)</u>
	1,612,465	1,712,376
Commitments (note 10)		
Economic dependence (note 13)		
Subsequent event (note 14)		
	<u>\$ 5,435,599</u>	<u>\$ 5,395,116</u>

See accompanying notes to financial statements.

On behalf of the Board:

R. V. Bell

Director

Mesfin Hagos

Mesfin Hagos (Oct 27, 2020 11:20 EDT)

Director

BRAMPTON CALEDON COMMUNITY LIVING

Statement of Operations

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Ministry of Children, Community and Social Services	\$ 24,573,199	\$ 25,023,012
Resident fees	1,709,659	1,739,077
Region of Peel	1,340,129	1,307,366
Program fees	829,701	810,433
Other grants, fees and rebates	154,656	134,043
Amortization of deferred contributions related to capital assets (note 5)	81,661	80,283
United Way of Peel	60,600	60,600
Administrative fees (note 9)	59,400	59,400
Donations and fundraising	42,033	21,798
Gain on disposal of capital assets	10,930	-
Vocational programs support	-	264,278
	<u>28,861,968</u>	<u>29,500,290</u>
Expenses:		
Residential services 9	18,379,534	18,743,984
Community supports	4,960,227	5,260,060
Transfer payment flowthroughs	2,157,599	1,732,860
Early childhood education services	1,344,410	1,298,432
Respite	1,239,630	1,266,104
Amortization of capital assets	638,384	600,391
Other	181,495	14,451
United Way of Peel Initiative	60,600	60,600
Loss on disposal of capital assets	-	73,902
	<u>28,961,879</u>	<u>29,050,784</u>
Excess (deficiency) of revenue over expenses	\$ (99,911)	\$ 449,506

See accompanying notes to financial statements.

BRAMPTON CALEDON COMMUNITY LIVING

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

				2020	2019
	Invested in capital assets (note 6)	Internally restricted (note 7)	Unrestricted (note 8)	Total	Total
Balance, beginning of year	\$ 2,097,393	\$ 191,335	\$ (576,352)	\$ 1,712,376	\$ 1,262,870
Excess (deficiency) of revenue over expenses	(545,793)	2,659	443,223	(99,911)	449,506
Net change in investment in capital assets	459,105	-	(459,105)	-	-
Balance, end of year	\$ 2,010,705	\$ 193,994	\$ (592,234)	\$ 1,612,465	\$ 1,712,376

See accompanying notes to financial statements.

BRAMPTON CALEDON COMMUNITY LIVING

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (99,911)	\$ 449,506
Items not involving cash:		
Amortization of capital assets	638,384	600,391
Loss (gain) on disposal of capital assets	(10,930)	73,902
Amortization of deferred contributions related to capital assets	(81,661)	(80,283)
Changes in non-cash operating working capital:		
Accounts and grants receivable	99,353	(39,519)
Inventory	-	5,659
Prepaid expenses	(13,865)	(143,227)
Accounts payable and accrued liabilities	39,611	439,835
Accrued vacation pay	70,645	(53,436)
Deferred revenue	36,635	39,061
	678,261	1,291,889
Financing activities:		
Deferred contributions related to capital assets	75,164	13,112
Investing activities:		
Additions to capital assets	(557,990)	(981,194)
Proceeds on disposal of capital assets	23,721	30,661
	(534,269)	(950,533)
Increase in cash	219,156	354,468
Cash, beginning of year	2,362,470	2,008,002
Cash, end of year	\$ 2,581,626	\$ 2,362,470

See accompanying notes to financial statements.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements

Year ended March 31, 2020

Brampton Caledon Community Living (the "Organization") is a non-profit organization, incorporated under the laws of Ontario without share capital by Letters Patent dated December 31, 1962. The Organization supports individuals with intellectual disabilities in Brampton and Caledon by providing residential, educational, recreational, employment, and community participation support services. The Organization is a registered charity under registration number 10680 5880 RR0001 with Canada Revenue Agency, and accordingly, is exempt from taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions. Deferred contributions include subsidies and grants from governments which are restricted for the purchase of capital assets.

Under the Broader Public Sector Accountability Act, 2010 and Regulations thereto, the Organization is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Children, Community and Social Services and the Ministry of Children and Youth Services. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry of Children, Community and Social Services and the Ministry of Children and Youth Services with respect to the year ended March 31, 2020.

Revenue from specified donations and fundraising activities is recognized in the year in which the activities occur and in the year of the related expenditures.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue related to client contributions, provincial government grants and subsidies, income from services rendered and investment income is recorded as it is earned.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(b) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Repairs and maintenance costs are charged to expense. Betterments which extend the life of an 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.

Capital assets are amortized over the estimated useful lives using the following methods and annual rates:

Asset	Basis	Rate
Buildings	Declining balance	4%
Furniture and equipment	Declining balance/straight line	5 - 20%
Vehicles	Declining balance	30%
Leasehold improvements	Straight line	Over the lease term plus one renewal period

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

1. Significant accounting policies (continued):

(c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Related entity:

The financial position and results of operations of an entity administered by the Organization's executive is not in the Organization's financial statements. Refer to note 9 for disclosure of this entity's financial information.

(e) Use of estimates:

The preparation of the 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Line of credit:

The Organization has a line of credit in the amount of \$500,000, which bears interest at bank prime plus 1.00%, is secured by a general security agreement and is due upon demand. As at March 31, 2020 and 2019, the line of credit had not been utilized.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

3. Capital assets:

			2020	2019
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 132,548	\$ -	\$ 132,548	\$ 132,548
Buildings	614,054	344,030	270,024	279,196
Furniture and equipment	652,854	605,564	47,290	57,971
Vehicles	1,698,280	1,208,220	490,060	384,072
Leasehold improvements	5,308,305	3,982,917	1,325,388	1,504,708
	\$ 8,406,041	\$ 6,140,731	\$ 2,265,310	\$ 2,358,495

Major funding for the acquisition of certain properties was received in prior years from the Ministry of Children, Community and Social Services ("MCCSS"). The Organization is therefore not able to dispose of these properties or to use the assets for other purposes without the consent of the MCCSS. If any such properties are sold and the proceeds of sale are not reinvested in another approved property within the fiscal year that the property is sold, a portion of the proceeds based on previous funding grants may be repayable to MCCSS.

4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$133,590 (2019 - \$84,584) for payroll related taxes.

5. Deferred contributions related to capital assets:

Deferred contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets.

The amortization of capital contributions is recorded as revenue in the statement of operations.

	2020	2019
Balance, beginning of year	\$ 261,102	\$ 328,273
Contributions received	75,164	13,112
Less amounts amortized to revenue	(81,661)	(80,283)
Balance, end of year	\$ 254,605	\$ 261,102

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

6. Invested in capital assets:

Invested in capital assets is calculated as follows:

	2020	2019
Capital assets	\$ 2,265,310	\$ 2,358,495
Funded by:		
Deferred contributions related to capital assets	(254,605)	(261,102)
	\$ 2,010,705	\$ 2,097,393

The change in this balance is calculated as follows:

	2020	2019
Excess of revenue over expenses:		
Gain (loss) on disposal of capital assets	\$ 10,930	\$ (73,902)
Amortization of deferred contributions related to capital assets	81,661	80,283
Amortization of capital assets	(638,384)	(600,391)
	(545,793)	(594,010)
Investment in capital assets:		
Additions to capital assets	557,990	981,194
Additions to deferred capital contributions	(75,164)	(13,112)
Proceeds on disposal of capital assets	(23,721)	(30,661)
	459,105	937,421
	\$ (86,688)	\$ 343,411

7. Internally restricted net assets:

The internally restricted net assets represent amounts set aside by the Board of Directors for future operating requirements. The internally restricted net assets are not available for use without approval by the Board of Directors.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

8. Unrestricted net assets:

Included in unrestricted net assets is an accrual of \$1,034,520 (2019 - \$963,875) relating to future obligations for vacation pay.

9. Related entity:

The Organization exercises significant influence over Brampton Caledon Community Housing Corporation ("BCCH") by virtue of its ability to appoint some of BCCH's Board of Directors. BCCH is a non-profit registered charity under registration number 13982 7752 RR0001, incorporated in 1993 without share capital under the Corporations Act (Ontario). It is administered by the executive of the Organization. BCCH, although not legally related, was formed to acquire, hold and lease land, and property to be used in connection with, for the benefit of, or to enhance the service or facilities of the Organization.

A financial summary of BCCH as at March 31, 2020 and March 31, 2019 is as follows:

	2020	2019
Financial position:		
Total assets	\$ 7,968,788	\$ 8,630,368
Total liabilities	886,547	1,886,982
Net assets	\$ 7,082,241	\$ 6,743,386
Results of operations:		
Total revenue	\$ 629,695	\$ 622,993
Total expenses	290,840	321,116
Excess of revenue over expenses	\$ 338,855	\$ 301,877
Cash provided by (used in):		
Operating activities	\$ 510,633	\$ 461,191
Financing activities	(975,178)	(839,896)
Decrease in cash	\$ (464,545)	\$ (378,705)

The Organization leases properties for its program services from BCCH. The rental charges in the current year amounted to \$574,335 (2019 - \$564,180) based on market rates and are agreed to by the parties annually. The Organization also received an administrative fee of \$59,400 (2019 - \$59,400) during the year.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

10. Commitments:

The Organization is committed to payments under various operating leases for property and equipment as follows:

2021	\$	624,000
2022		490,000
2023		392,000
2024		304,000
2025		229,000

11. Financial risks and concentration of credit risk:

Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2019.

12. Indemnification of officers and directors:

The Organization has indemnified its past, present and future directors, officers, employees and volunteers against expenses (including legal expenses), judgments, and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of the Organization. The Organization has purchased directors' and officers' liability insurance with respect to this indemnification.

13. Economic dependence:

The future viability of BCCL is dependent upon continued support from the MCCSS.

BCCL receives a substantial amount of funding from the MCCSS, pursuant to a Service Contract entered into by both parties. The funding agreement for 2021 with the MCCSS has not yet been finalized.

BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2020

14. Subsequent event:

Prior to March 31, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario and Canada resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions; however, the success of these interventions is not currently determinable. The current challenging economic climate may lead to adverse changes in cash flows, working capital levels and/or debt balances, which may also have a direct impact on the Organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect the Organization is not known at this time.

BRAMPTON CALEDON COMMUNITY LIVING

Schedule - Ministry of Children, Community and Social Services by Detail Code

Year ended March 31, 2020

TPBE#	038058	038058	038058	038058	038058	038058	038058	038058	038058	038058	038058	038058
IFIS Line - Subline # Legislation	F520-F540 SIPDDA/LISPDI	7871-8141 MCCSS/LMSSC	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI	F520-F540 SIPDDA/LISPDI
Ministry/Detail Code Service Name	F660 DS Supported Group Living	8936 Partner Facility Renewal-Capital	F668 DS Host Family Residences	F669 DS-Supported Independent Living	F703 DS Caregiver Respite Services	F704 DS Community Participation	F672 Children Associate Living Supports	F715 Children Service Coordination				
Revenue:												
Provincial subsidies	\$ 16,495,268	\$ 75,164	\$ 264,850	\$ 507,489	\$ 544,692	\$ 4,132,573	\$ 256,498	\$ 248,203				
Resident fees	1,450,130	-	85,764	173,765	-	-	-	-				
Program fees	257,286	-	18,749	57,975	14,715	471,775	-	-				
Other grants and rebates	-	-	-	-	-	76,619	-	-				
Donations	1,415	-	-	-	-	10,600	-	-				
Total revenue	18,204,099	75,164	369,363	739,229	559,407	4,691,567	256,498	248,203				
Expenses:												
Salaries	11,862,258	-	76,824	339,691	74,129	2,561,027	206,781	195,487				
Benefits	1,633,130	-	13,789	71,214	13,324	496,640	24,698	37,187				
Travel	155,280	-	27,459	56,550	3,567	41,849	-	3,139				
Communication	77,945	-	809	13,814	486	30,801	-	-				
Rent/lease/mortgage interest	553,070	-	-	102,174	15,995	617,132	-	-				
Utilities	138,273	-	-	6,606	-	34,355	-	-				
Staff training	43,929	-	4,289	12,866	-	9,592	-	187				
Advertising and promotion	11,386	-	1,107	3,321	-	600	-	-				
Services related to repairs and maintenance	381,179	-	5,996	29,841	-	92,850	-	-				
Purchased client services	-	-	218,545	-	366,638	-	-	-				
Purchased client services-OPR	830,611	-	-	41,724	36,676	-	-	-				
Insurance	75,097	-	7,301	21,903	-	22,536	-	-				
Supplies, equipment related to repairs and maintenance	85,623	-	-	10,272	-	17,161	-	-				
IT-supplies and equipment	45,588	-	4,432	13,297	546	22,397	-	-				
Other supplies and equipment	848,406	-	9,139	63,157	16,811	347,276	-	-				
Central administration	1,018,600	-	16,040	16,724	31,235	296,578	-	7,019				
Total expenses	17,760,375	-	385,730	803,154	559,407	4,590,794	256,498	248,203				
Capital assets	363,432	75,164	-	-	-	100,773	-	-				
Excess (deficiency) of revenue over expenses	\$ 80,292	\$ -	\$ (16,367)	\$ (63,925)	\$ -	\$ -	\$ -	\$ -				

Total Ministry of Children, Community and Social Services reflects a deferred contribution of \$75,164.

