

Financial Statements of

**BRAMPTON CALEDON  
COMMUNITY LIVING**

And Independent Auditors' Report thereon

Year ended March 31, 2021



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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, 2021
- 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, 2021, 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*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

September 23, 2021

# BRAMPTON CALEDON COMMUNITY LIVING

## Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash (note 2)	\$ 3,409,703	\$ 2,581,626
Accounts and grants receivable	175,148	280,798
Prepaid expenses	158,373	307,865
	<u>3,743,224</u>	<u>3,170,289</u>
Capital assets (note 3)	2,415,935	2,265,310
	<u>\$ 6,159,159</u>	<u>\$ 5,435,599</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 2,859,014	\$ 2,371,460
Accrued vacation pay (note 8)	1,091,078	1,034,520
Deferred revenue	181,896	162,549
	<u>4,131,988</u>	<u>3,568,529</u>
Deferred contributions related to capital assets (note 5)	179,957	254,605
Net assets:		
Invested in capital assets (note 6)	2,235,978	2,010,705
Internally restricted (note 7)	196,547	193,994
Unrestricted (note 8)	(585,311)	(592,234)
	<u>1,847,214</u>	<u>1,612,465</u>
Commitments (note 10)		
Economic dependence (note 12)		
	<u>\$ 6,159,159</u>	<u>\$ 5,435,599</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
Kathy Bell (Sep 24, 2021 11:18 EDT)

Director   
Cameron Craig (Sep 28, 2021 09:22 EDT)

Director

# BRAMPTON CALEDON COMMUNITY LIVING

## Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Ministry of Children, Community and Social Services (note 11(a))	\$ 27,244,799	\$ 24,573,199
Resident fees	1,699,586	1,709,659
Region of Peel	974,082	1,340,129
Program fees	642,515	829,701
Other grants, fees and rebates	82,544	154,656
Amortization of deferred contributions related to capital assets (note 5)	74,648	81,661
Administrative fees (note 9)	59,400	59,400
United Way of Peel	23,779	60,600
Donations and fundraising	23,639	42,033
Gain on disposal of capital assets	4,350	10,930
	<u>30,829,342</u>	<u>28,861,968</u>
Expenses:		
Residential services (notes 9 and 11(a))	20,818,423	18,379,534
Community supports	4,329,569	4,960,227
Transfer payment flowthroughs	2,608,943	2,157,599
Respite	1,009,276	1,239,630
Early childhood education services	978,724	1,344,410
Amortization of capital assets	719,555	638,384
Other	106,324	181,495
United Way of Peel Initiative	23,779	60,600
	<u>30,594,593</u>	<u>28,961,879</u>
Excess (deficiency) of revenue over expenses	\$ 234,749	\$ (99,911)

See accompanying notes to financial statements.

# BRAMPTON CALEDON COMMUNITY LIVING

## Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

				2021	2020
	Invested in capital assets (note 6)	Internally restricted (note 7)	Unrestricted (note 8)	Total	Total
Balance, beginning of year	\$ 2,010,705	\$ 193,994	\$ (592,234)	\$ 1,612,465	\$ 1,712,376
Excess (deficiency) of revenue over expenses	(640,557)	2,553	872,753	234,749	(99,911)
Net change in investment in capital assets	865,830	-	(865,830)	-	-
<b>Balance, end of year</b>	<b>\$ 2,235,978</b>	<b>\$ 196,547</b>	<b>\$ (585,311)</b>	<b>\$ 1,847,214</b>	<b>\$ 1,612,465</b>

See accompanying notes to financial statements.

# BRAMPTON CALEDON COMMUNITY LIVING

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 234,749	\$ (99,911)
Items not involving cash:		
Amortization of capital assets	719,555	638,384
Gain on disposal of capital assets	(4,350)	(10,930)
Amortization of deferred contributions related to capital assets	(74,648)	(81,661)
Changes in non-cash operating working capital:		
Accounts and grants receivable	105,650	99,353
Prepaid expenses	149,492	(13,865)
Accounts payable and accrued liabilities	487,554	39,611
Accrued vacation pay	56,558	70,645
Deferred revenue	19,347	36,635
	<u>1,693,907</u>	<u>678,261</u>
Financing activities:		
Deferred contributions related to capital assets	-	75,164
Investing activities:		
Additions to capital assets	(881,255)	(557,990)
Proceeds on disposal of capital assets	15,425	23,721
	<u>(865,830)</u>	<u>(534,269)</u>
Increase in cash	828,077	219,156
Cash, beginning of year	2,581,626	2,362,470
Cash, end of year	<u>\$ 3,409,703</u>	<u>\$ 2,581,626</u>

See accompanying notes to financial statements.



# BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements

Year ended March 31, 2021

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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, 2021.

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, 2021

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## 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

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### (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, 2021

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## 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. 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 on demand. As at March 31, 2021, the line of credit had not been utilized.

# BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2021

### 3. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 132,548	\$ -	\$ 132,548	\$ 132,548
Buildings	614,054	354,831	259,223	270,024
Furniture and equipment	652,854	614,651	38,203	47,290
Vehicles	1,902,597	1,024,847	877,750	490,060
Leasehold improvements	5,549,762	4,441,551	1,108,211	1,325,388
	\$ 8,851,815	\$ 6,435,880	\$ 2,415,935	\$ 2,265,310

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 \$197,023 (2020 - \$133,590) 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.

	2021	2020
Balance, beginning of year	\$ 254,605	\$ 261,102
Contributions received	-	75,164
Less amounts amortized to revenue	(74,648)	(81,661)
Balance, end of year	\$ 179,957	\$ 254,605

# BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 6. Invested in capital assets:

Invested in capital assets is calculated as follows:

	2021	2020
Capital assets	\$ 2,415,935	\$ 2,265,310
Funded by:		
Deferred contributions related to capital assets	(179,957)	(254,605)
	\$ 2,235,978	\$ 2,010,705

The change in this balance is calculated as follows:

	2021	2020
Excess of revenue over expenses:		
Gain on disposal of capital assets	\$ 4,350	\$ 10,930
Amortization of deferred contributions related to capital assets	74,648	81,661
Amortization of capital assets	(719,555)	(638,384)
	(640,557)	(545,793)
Investment in capital assets:		
Additions to capital assets	881,255	557,990
Additions to deferred capital contributions	-	(75,164)
Proceeds on disposal of capital assets	(15,425)	(23,721)
	865,830	459,105
	\$ 225,273	\$ (86,688)

## 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, 2021

## 8. Unrestricted net assets:

Included in unrestricted net assets is an accrual of \$1,091,078 (2020 - \$1,034,520) relating to future obligations for vacation pay.

## 9. Related entity:

The Organization exercises significant influence over Brampton Caledon Community Housing ("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, 2021 and March 31, 2020 is as follows:

	2021	2020
Financial position:		
Total assets	\$ 8,276,565	\$ 7,968,788
Total liabilities	850,013	886,547
<b>Net assets</b>	<b>\$ 7,426,552</b>	<b>\$ 7,082,241</b>
Results of operations:		
Total revenue	\$ 619,796	\$ 629,695
Total expenses	275,485	290,840
<b>Excess of revenue over expenses</b>	<b>\$ 344,311</b>	<b>\$ 338,855</b>
Cash provided by (used in):		
Operating activities	\$ 518,267	\$ 510,633
Financing activities	(11,771)	(975,178)
<b>Decrease in cash</b>	<b>\$ 506,496</b>	<b>\$ (464,545)</b>

The Organization leases properties for its program services from BCCH. The rental charges in the current year amounted to \$586,970 (2020 - \$574,335) based on market rates and are agreed to by the parties annually. The Organization received an administrative fee of \$59,400 (2020 - \$59,400) during the year. BCCH also provides certain guarantees as disclosed in note 2.

# BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 10. Commitments:

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

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2022	\$	632,000
2023		457,000
2024		304,000
2025		229,000
		<hr/>
	\$	1,622,000

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## 11. Financial risks and concentration of credit risk:

### (a) Market risk:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in Canadian and Provincial governments enacting emergency measures to combat the spread of the virus. The Organization has experienced a temporary closure of community-based activities and facility-based day programs and a decline in donations and fundraising revenue, in relation to the COVID-19 pandemic. During the year, the Organization received \$879,016 in pandemic pay, \$677,284 of residential relief and \$999,766 in temporary wage enhancements. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time. The current challenging economic climate may lead to adverse changes in debt levels, cash flows and/or working capital levels, which may also have a direct impact on the operating results and financial position of the Organization in the future.

### (b) 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 2020, other than as disclosed in note 11(a).

# BRAMPTON CALEDON COMMUNITY LIVING

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## **12. 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 2022 with the MCCSS has not yet been finalized.



