Financial Statements of

BRAMPTON CALEDON COMMUNITY LIVING

Years ended March 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Members of Brampton Caledon Community Living

Report on the Financial Statements

We have audited the accompanying financial statements of Brampton Caledon Community Living, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an 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 our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Brampton Caledon Community Living as at March 31, 2013, March 31, 2012 and April 1, 2011 and its results of operations, changes in net assets and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not for profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Corporations Act (Ontario), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied, after giving retrospective effect to the change in accounting policy as explained in the notes to the financial statements, on a basis consistent with that of the preceding year.

Other Matter

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Ministry of Community and Social Services ("MCSS") Schedule - MCSS by Detail Code is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

KPMG LLP

Chartered Accountants, Licensed Public Accountants

September 26, 2013

Toronto, Canada

BRAMPTON CALEDON COMMUNITY LIVING

Statements of Financial Position

March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current assets:			
Cash	$ 1,570,579	$ 1,418,544	$ 1,554,168
Accounts and grants receivable	206,367	268,521	295,040
Inventory	9,219	4,025	8,822
Prepaid expenses	150,826	151,917	154,477
	1,936,991	1,843,007	2,012,507
Capital assets (note 2)	1,736,933	1,724,574	1,843,949
	$ 3,673,924	$ 3,567,581	$ 3,856,456
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities (note 3)	$ 1,373,261	$ 1,269,415	$ 1,459,493
Accrued vacation pay	793,589	684,655	675,952
Deferred revenue	202,719	247,327	262,636
	2,369,569	2,201,397	2,398,081
Deferred contributions related to capital assets (note 4)	290,195	268,380	284,627
Net assets:			
Invested in capital assets (note 5)	1,446,738	1,456,194	1,559,322
Internally restricted (note 6)	174,559	172,065	169,649
Unrestricted (note 7)	(607,137)	(530,455)	(555,223)
	1,014,160	1,097,804	1,173,748
Commitments (note 9)			
	$ 3,673,924	$ 3,567,581	$ 3,856,456

See accompanying notes to financial statements.

On behalf of the Board:

____________________ Director ____________________ Director

BRAMPTON CALEDON COMMUNITY LIVING

Statements of Operations

Years ended March 31, 2013 and 2012

	2013	2012
Revenue:		
Ministry of Community and Social Services	$ 19,184,497	$ 19,146,805
Resident fees	1,417,108	1,394,117
Region of Peel	700,802	589,261
Vocational programs support	411,434	445,455
Program fees	167,833	157,471
Administrative fees (note 8)	61,500	60,000
United Way of Peel	58,824	58,824
Donations and fundraising	53,440	58,710
Other grants and rebates	48,905	89,118
Amortization of deferred contributions related to capital assets (note 4)	16,247	16,247
	22,120,590	22,016,008
Expenses:		
Residential services	14,568,958	14,497,597
Community supports	3,670,547	3,537,795
Respite	1,312,228	1,310,094
Vocational	971,835	1,040,213
Early childhood education services	701,114	593,881
Amortization of capital assets	362,593	353,314
Transfer payment flowthroughs	257,911	190,951
Other expenditures	167,360	207,514
Supported employment services	85,757	207,297
United Way of Peel Initiative	58,824	58,824
Education Liaison	47,107	84,417
Donations and fundraising	-	10,055
	22,204,234	22,091,952
Deficiency of revenue over expenses	$ (83,644)	$ (75,944)

See accompanying notes to financial statements.

BRAMPTON CALEDON COMMUNITY LIVING

Statements of Net Assets

Years ended March 31, 2013 and 2012

March 31, 2013	Invested in capital assets	Internally restricted	Unrestricted	Total
	(note 5)	(note 6)	(note 7)	
Balance, beginning of year	$ 1,456,194	$ 172,065	$ (530,455)	$ 1,097,804
Excess (deficiency) of revenue over expenses	(346,346)	2,494	260,208	(83,644)
Net change in investment in capital assets	336,890	-	(336,890)	-
Balance, end of year	$ 1,446,738	$ 174,559	$ (607,137)	$ 1,014,160

March 31, 2012	Invested in capital assets	Internally restricted	Unrestricted	Total
	(note 5)	(note 6)	(note 7)	
Balance, beginning of year	$ 1,559,322	$ 169,649	$ (555,223)	$ 1,173,748
Excess (deficiency) of revenue over expenses	(337,726)	2,416	259,366	(75,944)
Net change in investment in capital assets	234,598	-	(234,598)	-
Balance, end of year	$ 1,456,194	$ 172,065	$ (530,455)	$ 1,097,804

See accompanying notes to financial statements.

BRAMPTON CALEDON COMMUNITY LIVING

Statements of Cash Flows

Years ended March 31, 2013 and 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Deficiency of revenue over expenses	$ (83,644)	$ (75,944)
Items not involving cash:		
Amortization of capital assets	362,593	353,314
Amortization of deferred contributions related to capital assets	(16,247)	(16,247)
Changes in non-cash operating working capital:		
Accounts and grants receivable	62,154	26,519
Inventory	(5,194)	4,797
Prepaid expenses	1,091	2,560
Accounts payable and accrued liabilities	103,846	(190,078)
Accrued vacation pay	108,934	8,703
Deferred revenue	(44,608)	(15,309)
	488,925	98,315
Financing activities:		
Deferred contributions related to capital assets	38,062	-
Investing activities:		
Additions to capital assets	(374,952)	(234,598)
Proceeds on disposal of capital assets	-	659
	(374,952)	(233,939)
Increase (decrease) in cash	152,035	(135,624)
Cash, beginning of year	1,418,544	1,554,168
Cash, end of year	$ 1,570,579	$ 1,418,544

See accompanying notes to financial statements.

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, vocational and community 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.

On April 1, 2012, the Organization adopted Canadian Accounting Standards for Not-For-Profit Organizations ("Not-For-Profit Standards") in Part III of The Canadian Institute of Chartered Accountants' ("CICA") Handbook. These are the first financial statements prepared in accordance with Not-For-Profit Standards.

In accordance with the transitional provisions in Not-For-Profit Standards, the Organization has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is April 1, 2011 and all comparative information provided has been presented by applying Not-For-Profit Standards.

There were no adjustments to net assets as at April 1, 2011 or deficiency of revenue over expenses for the year ended March 31, 2012 as a result of the transition to the Not-For-Profit Standards.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Entities in Part III of the CICA 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 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 Community and Social Services and the Ministry of Children and Youth Services with respect to the years ended March 31, 2013 and March 31, 2012.

1. Significant accounting policies (continued):

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.

(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

1. Significant accounting policies (continued):

(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.

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) Inventory:

Inventory consists of various production supplies. Inventory is valued at the lower of cost on a first-in, first-out basis, and net realizable value. Net realizable value refers to the amount the Organization expects to realize from the sale of the inventory in the ordinary course of business less direct costs to sell. Cost of sales includes all costs of inventory recognized and is included in vocational expense in the year.

(e) 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 8 for disclosure of this entity's financial information.

1. Significant accounting policies (continued):

(f) 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. Capital assets:

March 31, 2013	Cost	Accumulated amortization	Net book value
Land	$ 132,548	$ -	$ 132,548
Buildings	614,054	254,715	359,339
Furniture and equipment	1,094,501	804,442	290,059
Vehicles	1,597,744	1,348,758	248,986
Leasehold improvements	2,133,551	1,427,550	706,001
	$ 5,572,398	$ 3,835,465	$ 1,736,933

March 31, 2012	Cost	Accumulated amortization	Net book value
Land	$ 132,548	$ -	$ 132,548
Buildings	614,054	239,743	374,311
Furniture and equipment	1,079,556	762,582	316,974
Vehicles	1,576,087	1,246,692	329,395
Leasehold improvements	1,795,200	1,223,854	571,346
	$ 5,197,445	$ 3,472,871	$ 1,724,574

2. Capital assets (continued):

April 1, 2011		Cost		Accumulated amortization		Net book value
Land	$	132,548	$	-	$	132,548
Buildings		614,054		224,147		389,907
Furniture and equipment		981,825		727,118		254,707
Vehicles		1,579,808		1,161,591		418,217
Leasehold improvements		1,702,217		1,053,647		648,570
	$	5,010,452	$	3,166,503	$	1,843,949

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $121,594 (March 31, 2012 - $148,681, April 1, 2011 - $123,126), which includes amounts payable for HST and payroll related taxes.

4. 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.

		March 31, 2013		March 31, 2012		April 1, 2011
Balance, beginning of year	$	268,380	$	284,627	$	229,406
Contributions received		38,062		-		68,720
Less amounts amortized to revenue		16,247		16,247		13,499
Balance, end of year	$	290,195	$	268,380	$	284,627

5. Invested in capital assets:

Invested in capital assets is calculated as follows:

		March 31, 2013		March 31, 2012		April 1, 2011
Capital assets	$	1,736,933	$	1,724,574	$	1,843,949
Funded by:						-
Deferred contributions		(290,195)		(268,380)		(284,627)
	$	1,446,738	$	1,456,194		1,559,322

The change in this balance is calculated as follows:

		March 31, 2013		March 31, 2012		April 1, 2011
Excess (deficiency) of revenue over expenses:						
Proceeds on disposal of capital assets	$	-	$	(659)	$	(7,100)
Gain on disposal of capital assets		-		-		4,649
Amortization of deferred contributions related to capital assets		16,247		16,247		13,499
Amortization of capital assets		(362,593)		(353,314)		(323,285)
		(346,346)		(337,726)		(312,237)
Investment in capital assets:						-
Additions to capital assets		374,952		234,598		478,124
Amounts funded by:						
Deferred contributions		(38,062)		-		(68,720)
		336,890		234,598		409,404
	$	(9,456)	$	(103,128)	$	97,167

6. Restrictions on 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.

7. Unrestricted net assets:

Included in unrestricted net assets is an accrual of $793,589 (March 31, 2012 - $684,655, April 1, 2011- $675,952) relating to future obligations for vacation pay.

8. 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, 2013, March 31, 2012 and April 1, 2011 is as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Financial position:			
Total assets	$ 7,533,861	$ 7,163,434	$ 6,637,979
Total liabilities	3,949,554	3,764,605	3,390,366
Net assets	$ 3,584,307	$ 3,398,829	$ 3,247,613
Results of operations:			-
Total revenue	$ 556,862	$ 525,857	$ 490,718
Total expenses	371,384	374,641	341,398
Excess of revenue over expenses	$ 185,478	$ 151,216	$ 149,320
Cash provided by (used in):			
Operating activities	$ 204,544	$ 358,629	$ 236,826
Financing activities	238,064	368,209	355,242
Investing activities	(445,244)	(864,344)	(448,213)
Increase (decrease) in cash	$ (2,636)	$ (137,506)	$ 143,855

8. Related entity (continued):

The Organization leases properties for its program services from BCCH. The rent in the current year amounted to $531,936 (2012 - $500,378) based on market rates and are agreed to by the parties annually. The Organization also received an administrative fee of $61,500 (2012 - $60,000) during the year.

9. Commitments:

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

2014	$	631,000
2015		437,000
2016		148,000
2017		73,000
2018		14,000

10. Financial risks and concentration of credit risk:

(a) 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 2012.

11. 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.