

Peel Cheshire Homes (Brampton) Inc.
Financial Statements
For the year ended March 31, 2023

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Independent Auditor's Report

To the Directors of Peel Cheshire Homes (Brampton) Inc.

We have audited the financial statements of Peel Cheshire Homes (Brampton) Inc. ("the Organization"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

BDO CANADA LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario

May 29, 2023

Peel Cheshire Homes (Brampton) Inc.
Statement of Financial Position

March 31 **2023** **2022**

Assets

Current

Cash	\$ 1,104,820	\$ 480,610
HST receivable	14,329	15,773
Prepaid expenses	1,249	5,041
	1,120,398	501,424

Restricted cash and short-term investments	216,198	203,493
Capital assets (Note 2)	302,601	312,490
	\$ 1,639,197	\$ 1,017,407

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 1,057,626	\$ 461,969
Deferred revenue	12,580	-
	1,070,206	461,969



Net Assets

Unrestricted	352,793	351,945
Replacement reserve	216,198	203,493
	568,991	555,438
	\$ 1,639,197	\$ 1,017,407

On behalf of the Board:



Director

Director

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

Peel Cheshire Homes (Brampton) Inc.
Statement of Operations

For the year ended March 31

2023

2022

	Resident Care, Aging at Home and Community Outreach Programs	Shelter Program	Other Programs	Total	Total
Revenue					
Ministry of Health and Long-term Care (Note 4)	\$ 1,282,214	\$ 88,333	\$ -	\$ 1,370,547	\$ 1,498,891
Rental income	-	29,525	-	29,525	24,020
Donations	-	-	1,148	1,148	643
Other income	9,912	2,705	-	12,617	54,806
	1,292,126	120,563	1,148	1,413,837	1,578,360
Expenses					
Administrative and general (see Schedule)	188,967	2,050	-	191,017	205,942
Amortization	-	22,470	-	22,470	22,480
Insurance	3,058	13,900	-	16,958	16,339
Miscellaneous	-	-	300	300	696
Mortgage interest	-	-	-	-	398
Repairs	19,237	36,852	-	56,089	79,014
Staff training	2,634	-	-	2,634	335
Travel	1,052	-	-	1,052	955
Utilities	-	32,586	-	32,586	32,459
Wages and employee benefits	1,077,178	-	-	1,077,178	1,189,170
	1,292,126	107,858	300	1,400,284	1,547,788
Excess of revenue over expenses	\$ -	\$ 12,705	\$ 848	\$ 13,553	\$ 30,572

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

Peel Cheshire Homes (Brampton) Inc.
Statement of Changes in Net Assets

For the year ended March 31	2023			2022
	Unrestricted	Replacement Reserve	Total	Total
Net assets, beginning of year	\$ 351,945	\$ 203,493	\$ 555,438	\$ 524,866
Excess of revenue over expenses	13,553	-	13,553	30,572
Interfund transfers	(12,705)	12,705	-	-
Net assets, end of year	\$ 352,793	\$ 216,198	\$ 568,991	\$ 555,438

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

Peel Cheshire Homes (Brampton) Inc.
Statement of Cash Flows

For the year ended March 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses for the year	\$ 13,553	\$ 30,572
Adjustments required to reconcile excess of revenue over expenses with net cash provided by (used in) operations		
Amortization	22,470	22,480
Changes in non-cash working capital balances		
HST receivable	1,444	(3,429)
Government assistance receivable	-	1,075
Prepaid expenses	3,792	(3,792)
Accounts payable and accrued liabilities	595,657	353,438
Deferred revenue	12,580	-
	<u>649,496</u>	<u>400,344</u>
Investing activities		
Purchase of capital assets	(12,581)	-
Increase in restricted cash and short-term investments	(12,705)	(10,405)
	<u>(25,286)</u>	<u>(10,405)</u>
Financing activity		
Repayment of mortgage payable	-	(5,351)
Net change in cash during the year	624,210	384,588
Cash, beginning of year	480,610	96,022
Cash, end of year	\$ 1,104,820	\$ 480,610

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

Peel Cheshire Homes (Brampton) Inc.

Notes to Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies

Purpose of the Organization

Peel Cheshire Homes (Brampton) Inc. (the "Organization") was incorporated without share capital under the laws of the Province of Ontario and is a registered charity within the meaning of the Income Tax Act (Canada) and, as such, is exempt from income taxes. The Organization's main purpose is to provide shelter and attendant care services to adults with physical disabilities.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Revenue derived from grants is recognized when the grant application has been approved by the relevant agency and the related expenses have been made.

Revenue from unrestricted donations is recognized as revenue as it is received and is receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations are deferred and recognized in revenue in the year in which the related expenses have been made.

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital asset. Externally restricted capital contributions for land are recorded as a direct increase in the net assets invested in capital assets. Externally restricted capital assets contributions that have not been expended are recorded as deferred contributions on the statement of financial position.

Other revenue is recognized upon receipt when the related service has been provided.

Replacement Reserve

In accordance with the Operating Agreement with the Ontario Ministry of Health and Long-Term Care, the Organization is required to set aside funds to finance future replacement of appliances and equipment. Minor replacements are charged to current operations. The restricted cash and short-term investments represent the replacement reserve.

Restricted Cash and Short-Term Investments

Restricted cash and short-term investments include cash and investments that are part of the Organization's cash management portfolio and are highly liquid. The short-term investments include guaranteed investment certificates which are held as security for the bank operating line of credit as described in Note 3.

Peel Cheshire Homes (Brampton) Inc. Notes to Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Building	- 15 years straight-line
Computer equipment	- 5 years straight-line
Furniture and equipment	- 10 years straight-line
Wandering system	- 5 years straight line

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

Contributed Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Capital Assets

	<u>2023</u>		<u>2022</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Building	\$ 899,729	\$ 611,097	\$ 899,729	\$ 588,905
Computer equipment	22,391	22,391	22,391	22,391
Furniture and equipment	115,833	101,864	103,254	101,588
Wandering system	21,322	21,322	21,322	21,322
	<u>\$ 1,059,275</u>	<u>\$ 756,674</u>	<u>\$ 1,046,696</u>	<u>\$ 734,206</u>
		<u>\$ 302,601</u>		<u>\$ 312,490</u>

Peel Cheshire Homes (Brampton) Inc.
Notes to Financial Statements

March 31, 2023

3. Bank Facility

The Organization has available a bank operating line of credit that is due on demand with interest at the bank prime plus 1% and is secured by the guaranteed investment certificates held for the replacement reserve. The maximum line of credit for the Organization is \$90,000. As at March 31, 2023, the amount withdrawn on the operating line of credit was \$Nil (2022 - \$Nil).

4. Ministry of Health and Long-Term Care Funding

			2023	2022
	Resident Care, Aging at Home and Community Outreach Programs	Shelter Program	Total	Total
Subsidy	\$ 1,501,185	\$ 101,955	\$ 1,603,140	\$ 1,364,753
One-time funding	410,987	-	410,987	498,071
Less: deferred funding	(12,580)	-	(12,580)	-
Less: surplus funding returned	(617,378)	(13,622)	(631,000)	(363,933)
	\$ 1,282,214	\$ 88,333	\$ 1,370,547	\$ 1,498,891

5. Financial Instruments

Liquidity Risk

Liquidity risk is the risk that the Organization will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Organization is exposed to liquidity risk arising from its accounts payable and accrued liabilities. The Organization's ability to meet obligations depends on the receipt of funds from its operating activities and the Ministry of Health and Long-Term Care.

There have been no changes to the above risk from the prior year.

Peel Cheshire Homes (Brampton) Inc.
Schedule of Administrative and General Expenses

For the year ended March 31 **2023** **2022**

	Resident Care, Aging at Home and Community			Total	Total
	Outreach Programs	Shelter Program	Other Programs		
Administrative and general	\$ 23,444	\$ -	\$ -	\$ 23,444	\$ 15,739
Medical supplies	6,777	-	-	6,777	20,887
Miscellaneous	-	-	-	-	1,687
Professional fees	8,350	2,050	-	10,400	7,625
Purchased services	143,507	-	-	143,507	153,264
Telephone	6,889	-	-	6,889	6,740
	\$ 188,967	\$ 2,050	\$ -	\$ 191,017	\$ 205,942