

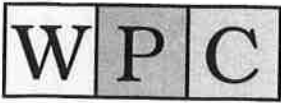
CALEDON PARENT-CHILD CENTRE
Financial Statements
Year Ended March 31, 2019

CALEDON PARENT-CHILD CENTRE

Index to Financial Statements

Year Ended March 31, 2019

	Page
AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flow	6
Notes to Financial Statements	7 - 11



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INDEPENDENT AUDITOR'S REPORT

To the Directors of Caledon Parent-Child Centre

Qualified Opinion

We have audited the financial statements of Caledon Parent-Child Centre (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its results of operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2019, current assets and net assets as at March 31, 2019.

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 qualified audit 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

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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. 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.

Mono, Ontario
May 31, 2019

Whelan Professional Corporation
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario



CALEDON PARENT-CHILD CENTRE

Statement of Financial Position

March 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	\$ 585,605	\$ 448,902
Accounts receivable	14,162	12,105
Harmonized sales tax recoverable	24,230	12,933
Prepaid expenses	1,796	3,267
	<u>625,793</u>	<u>477,207</u>
LONG TERM INVESTMENTS <i>(Note 4)</i>	-	101,170
	<u>\$ 625,793</u>	<u>\$ 578,377</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 12,540	\$ 14,841
Wages and employee deductions payable	77,335	62,228
Deferred revenue <i>(Note 5)</i>	90,000	102,717
	<u>179,875</u>	<u>179,786</u>
NET ASSETS		
General fund	87,928	46,061
Internally restricted	357,990	352,530
	<u>445,918</u>	<u>398,591</u>
	<u>\$ 625,793</u>	<u>\$ 578,377</u>

ON BEHALF OF THE BOARD

Susan Whit Director
Theresa Colasanti Director



CALEDON PARENT-CHILD CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2019

	General Fund	Internally Restricted <i>(Note 6)</i>	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 46,061	\$ 352,530	\$ 398,591	\$ 394,471
Excess of revenues over expenses	54,975	(7,649)	47,327	4,120
Interfund transfers	(13,108)	13,108	-	-
NET ASSETS - END OF YEAR	\$ 87,928	\$ 357,990	\$ 445,918	\$ 398,591

CALEDON PARENT-CHILD CENTRE
Statement of Revenues and Expenditures
Year Ended March 31, 2019

	2019	2018
REVENUES		
Region of Peel (Note 7)	\$ 849,031	\$ 381,170
United Way of Greater Toronto	52,520	52,520
Fundraising	46,441	20,199
Federal (Note 7)	35,504	40,283
Donations	23,150	34,174
Town of Caledon Municipal (Note 7)	7,274	8,866
Interest income	5,894	4,515
Sponsorship	4,000	4,750
Provincial (Note 7)	1,075	151,075
Fees and other	24	16
	<u>1,024,913</u>	<u>697,568</u>
EXPENSES		
Salaries	516,431	451,987
Occupancy and insurance	115,401	109,822
Program supplies and equipment	83,707	11,934
Travel	74,685	10,985
Employee benefits	68,007	59,594
Office expenses	41,238	11,714
Promotion and appreciation	19,601	7,800
Professional services	17,314	4,452
Equipment & furnishing	12,944	77
Repairs and maintenance	8,944	2,553
Fundraising	8,850	10,544
Audit and legal	7,245	10,082
Training	2,368	1,249
Memberships and dues	527	655
Bank charges	324	-
	<u>977,586</u>	<u>693,448</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 47,327</u>	<u>\$ 4,120</u>

CALEDON PARENT-CHILD CENTRE**Statement of Cash Flow****Year Ended March 31, 2019**

	2019	2018
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 47,327	\$ 4,120
Changes in non-cash working capital:		
Accounts receivable	(2,057)	(2,227)
Accounts payable	(2,301)	(2,371)
Deferred revenue	(12,717)	10,127
Prepaid expenses	1,471	(1,787)
Harmonized sales tax payable	(11,297)	214
Wages and employee deductions payable	15,107	10,452
	<u>(11,794)</u>	<u>14,408</u>
Cash flow from operating activities	<u>35,533</u>	<u>18,528</u>
INVESTING ACTIVITY		
Long term Investments	<u>101,170</u>	<u>(29,861)</u>
INCREASE (DECREASE) IN CASH FLOW	136,703	(11,333)
Cash - beginning of year	<u>448,902</u>	<u>460,235</u>
CASH - END OF YEAR (Note 3)	\$ 585,605	\$ 448,902
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ (5,894)</u>	<u>\$ (4,515)</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

1. DESCRIPTION OF BUSINESS

Caledon Parent-Child Centre (the "organization") is a non-profit organization incorporated without share capital under the laws of Ontario. The organization operates as a family resource and early years centre to provide facilities, information and services related to the needs of parents, caregivers and children in the Town of Caledon. The organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP), except as noted below with regard to capital assets.

Basis of accounting

These financial statements have been prepared using an accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipts of goods or services and the creation of a legal obligation to pay.

In accordance with funding agreements with the Regional Municipality of Peel, capital assets are charged to operations in the year the expenditures are incurred or charged against the capital asset reserve fund, rather than being capitalized on the balance sheet and amortized over their estimated useful lives.

Financial instruments

The organization's financial instruments consist of cash and cash equivalents, accounts receivable, long-term investments and accounts payable. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair values of these financial instruments approximates their carrying values, unless otherwise noted.

The organization's objectives when managing capital is to safeguard the organization's ability to continue as a going concern, so that it can continue to provide services and offer benefits to the members of the community.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are short term investments readily convertible to cash and are valued at cost plus accrued interest.

Capital assets

Capital assets are expensed when acquired pursuant to funding agreements. During the current year \$99,535 in capital assets was charged to expenses. In 2018 \$7,913 was charged to expenses.

Deferred contributions

Grants and donations restricted for specific projects are deferred and amortized over the life of the project, or as instructed by the donor. Amortization is reported as revenue on the Statement of Revenues and Expenditures.

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CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Internally restricted funds

Part of the organization's fund balances have been internally restricted as approved by the organization's Board of Directors. Transfers among funds are recorded when approved by the Board of Directors. The purpose of each fund is as follows:

The Contingency Reserve is established to ensure that CPCC has a minimum of three months of operational expenses for contingency purposes.

The Adjustments After Birth reserve is to be used to fund costs related to Adjustments After Birth Programs.

The Parent/Child Programs reserve is to be used to fund costs related to Parent/Child Programs.

The Family Support Programs reserve is to be used to fund costs related to Family Support Programs.

The Pre-School Area reserve is to be used to fund a preschool area in the drop in area of the centre.

The Capital Asset reserve is to be used to fund the purchase of a new van.

The Strategic Resourcing reserve is to be used to fund new strategic initiatives as identified in the organization's strategic plan.

The Continuing Education reserve is used for reimbursement of approved continuing education for staff.

Revenue recognition

Caledon Parent-Child Centre follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Measurement uncertainty

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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

3. CASH AND CASH EQUIVALENTS

	2019	2018
Guaranteed Investment Certificate - earning interest at 1.95% matures August 26, 2019	\$ 101,149	\$ -
Guaranteed Investment Certificate - earning interest at 2.00% matures June 8, 2019	50,813	-
Guaranteed Investment Certificate	-	71,306
Term Deposit - earning interest at 2.75% matures December 6, 2019	101,501	-
High Interest Savings Account - earning interest at 0.10% at March 31, 2019	70,735	-
Cash	261,407	377,596
	<u>\$ 585,605</u>	<u>\$ 448,902</u>

4. LONG TERM INVESTMENTS

	2019	2018
Guaranteed Investment Certificate - earning interest at 1.950% matures August 26, 2019	\$ -	\$ 101,170

5. DEFERRED REVENUE

	2019	2018
Funds received in advance	\$ 83,525	\$ 97,992
Restricted Laugh Out Loud fundraising	6,475	4,725
	<u>\$ 90,000</u>	<u>\$ 102,717</u>

6. INTERNALLY RESTRICTED NET ASSETS

	2019	2018
Contingency		
Balance, beginning	\$ 143,737	\$ 141,963
Interfund transfers from (to) general fund	15,525	1,774
Balance, ending	<u>159,263</u>	<u>143,737</u>
Adjustments After Birth		
Balance, beginning	1,930	9,591
Expenses	-	(7,661)
Balance, ending	<u>1,930</u>	<u>1,930</u>

(continues)

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

6. INTERNALLY RESTRICTED NET ASSETS <i>(continued)</i>		
Parent/Child Programs		
Balance, beginning	123,331	122,331
Income	-	1,000
Balance, ending	<u>123,331</u>	<u>123,331</u>
Family Support Programs		
Balance, beginning	36,241	37,635
Income	1,600	6,000
Expenses	(8,647)	(7,394)
Balance, ending	<u>29,194</u>	<u>36,241</u>
Pre-School Area		
Balance, beginning	3,878	3,472
Income	-	8,000
Expenses	-	(7,594)
Interfund transfers from (to) general fund	(2,418)	-
Balance, ending	<u>1,460</u>	<u>3,878</u>
Capital Assets (Van Replacement)		
Balance, beginning	40,771	33,771
Interfund transfers to Strategic Resourcing fund	(40,771)	7,000
Balance, ending	<u>-</u>	<u>40,771</u>
Strategic Resourcing		
Expense	(601)	-
Interfund transfers from Capital Assets (Van Replacement) fund	40,771	-
Balance, ending	<u>40,170</u>	<u>-</u>
Continuing Education		
Balance, beginning	2,643	2,643
Total of internally restricted funds	<u>\$ 357,990</u>	<u>\$ 352,530</u>

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2019

7. GOVERNMENT FUNDING

	<u>2019</u>	<u>2018</u>
Municipal		
Town of Caledon - In Kind	\$ 4,649	\$ 5,366
Town of Caledon	<u>2,625</u>	<u>3,500</u>
	<u>7,274</u>	<u>8,866</u>
Region of Peel		
Regional Government - EarlyON	\$ 274,579	\$ 54,343
Regional Government - EarlyON - One Time Grants	<u>238,480</u>	-
Regional Government - CCRC	<u>206,818</u>	51,675
Community Investment Program - Sustainability	<u>106,033</u>	110,173
Community Investment Program - OEF	<u>15,843</u>	4,158
Pay Equity	<u>7,278</u>	7,278
Resource Centre	-	143,543
Transition Funding	<u>-</u>	<u>10,000</u>
	<u>849,031</u>	<u>381,170</u>
Provincial		
Broader Public Sector	1,075	1,075
Early Years Centre	<u>-</u>	<u>150,000</u>
	<u>1,075</u>	<u>151,075</u>
Federal		
Health Canada	24,250	24,239
Human Resources and Skills Development Canada	<u>11,254</u>	<u>16,044</u>
	<u>35,504</u>	<u>40,283</u>
	<u>\$ 892,884</u>	<u>\$ 581,394</u>

8. NON-MONETARY TRANSACTIONS

The Town of Caledon has provided a grant to offset the cost of renting space for rural programs. As part of this grant the Town of Caledon is providing in kind funding on the rental of Town of Caledon space to run these programs. The organization recognizes the cost of the rent as an expense and the in kind funding as revenue. During the current fiscal year the organization received \$4,649 of in kind rental funding (2018- \$5,366).