

**CALEDON PARENT-CHILD CENTRE**

**Financial Statements**

**Year Ended March 31, 2020**



**CALEDON PARENT-CHILD CENTRE**

**Index to Financial Statements**

**Year Ended March 31, 2020**

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Whalen Professional Corporation  
Chartered Professional Accountants

9408 Wellington Rd 124, Unit 1  
Erin, Ontario, N0B 1T0

T: 519.941.5526  
F: 519.941.8721  
E: info@whalenpc.ca

www.whalenpc.ca

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## INDEPENDENT AUDITOR'S REPORT

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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, 2020, 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, 2020, 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, 2020, current assets and net assets as at March 31, 2020.

As discussed in (Note 9) to the financial statements, included in promotion and appreciation are items with a cost of \$29,676 that are still on hand with the Organization. This amount has been expensed in the current year, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. The excess of revenue over expenses, and the net assets of the Organization should both be increased by this amount.

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.

(continues)

Independent Auditor's Report to the Directors of Caledon Parent-Child Centre *(continued)*

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.

*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.

Erin, Ontario  
September 22, 2020

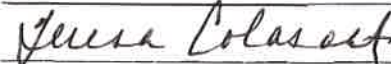
*Winton Professional Corporation*

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, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents (Note 3)	\$ 501,122	\$ 585,605
Accounts receivable	16,434	14,162
Harmonized sales tax recoverable	23,297	24,230
Prepaid expenses	1,547	1,796
	<u>542,400</u>	<u>625,793</u>
LONG TERM INVESTMENTS (Note 4)	<u>201,513</u>	<u>-</u>
	<u>\$ 743,913</u>	<u>\$ 625,793</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 12,205	\$ 12,540
Wages and employee deductions payable	65,384	77,335
Funding repayment	61,196	-
Deferred funding (Note 5)	127,171	90,000
	<u>265,956</u>	<u>179,875</u>
<b>NET ASSETS</b>		
General fund	118,715	87,929
Internally restricted	359,242	357,989
	<u>477,957</u>	<u>445,918</u>
	<u>\$ 743,913</u>	<u>\$ 625,793</u>

**ON BEHALF OF THE BOARD** Director Director

See notes to financial statements



**CALEDON PARENT-CHILD CENTRE**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2020**

	General Fund	Internally Restricted <i>(Note 6)</i>	2020	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 87,929	\$ 357,989	\$ 445,918	\$ 398,591
Excess of revenues over expenses	41,835	(9,797)	32,039	47,327
Interfund transfers	(11,049)	11,049	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 118,715	\$ 359,242	\$ 477,957	\$ 445,918

**CALEDON PARENT-CHILD CENTRE**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2020**

	2020	2019
<b>REVENUES</b>		
Region of Peel <i>(Note 7)</i>	\$ 924,643	\$ 849,031
United Way of Greater Toronto	52,520	52,520
Federal <i>(Note 7)</i>	36,313	35,504
Fundraising	25,792	46,441
Donations	21,104	23,150
Fees and other	10,362	24
Town of Caledon Municipal <i>(Note 7)</i>	9,338	7,274
Interest income	7,712	5,894
Sponsorship	5,500	4,000
Provincial <i>(Note 7)</i>	1,075	1,075
	<u>1,094,359</u>	<u>1,024,913</u>
<b>EXPENSES</b>		
Salaries	670,839	516,431
Occupancy and insurance <i>(Note 8)</i>	120,898	115,401
Employee benefits	77,964	68,007
Program supplies and equipment	77,512	96,650
Promotion and appreciation <i>(Note 9)</i>	40,146	19,601
Office and general	21,379	44,458
Professional services	16,142	17,314
Repairs and maintenance	11,001	8,944
Fundraising	10,999	8,850
Travel	8,268	74,685
Audit and legal	7,172	7,245
	<u>1,062,320</u>	<u>977,586</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 32,039</u>	<u>\$ 47,327</u>

**CALEDON PARENT-CHILD CENTRE****Statement of Cash Flow****Year Ended March 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 32,039	\$ 47,327
Changes in non-cash working capital:		
Accounts receivable	(2,272)	(2,057)
Accounts payable	(335)	(2,301)
Funding repayment	61,196	-
Deferred funding	37,171	(12,717)
Prepaid expenses	249	1,471
Harmonized sales tax payable	933	(11,297)
Wages and employee deductions payable	(11,951)	15,107
	<u>84,991</u>	<u>(11,794)</u>
Cash flow from operating activities	<u>117,030</u>	<u>35,533</u>
<b>INVESTING ACTIVITY</b>		
Long term investments	<u>(201,513)</u>	<u>101,170</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(84,483)</b>	<b>136,703</b>
Cash - beginning of year	<u>585,605</u>	<u>448,902</u>
<b>CASH - END OF YEAR (Note 3)</b>	<b>\$ 501,122</b>	<b>\$ 585,605</b>
<b>CASH FLOW SUPPLEMENTARY INFORMATION</b>		
Interest received	\$ (7,712)	\$ (5,894)
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -

See notes to financial statements





# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2020

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### 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.

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### 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 (ASNFPO), 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 \$16,365 in capital assets was charged to expenses. In 2018 \$99,535 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, 2020

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#### 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.

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**CALEDON PARENT-CHILD CENTRE****Notes to Financial Statements****Year Ended March 31, 2020****3. CASH AND CASH EQUIVALENTS**

	2020	2019
Cash	\$ 368,872	\$ 261,407
High Interest Savings Account - earning interest at 1.47% at March 31, 2020	132,250	70,735
Guaranteed Investment Certificate - earning interest at 2.00% matures June 8, 2019	-	50,813
Guaranteed Investment Certificate - earning interest at 1.95% matures August 26, 2019	-	101,149
Term Deposit - earning interest at 2.75% matures December 6, 2019	-	101,501
	<u>\$ 501,122</u>	<u>\$ 585,605</u>

**4. LONG TERM INVESTMENTS**

	2020	2019
Guaranteed Investment Certificate - earning interest at 2.10% matures September 13, 2021	\$ 100,454	\$ -
Guaranteed Investment Certificate - earning interest at 2.30% matures October 12, 2021	101,059	-
	<u>\$ 201,513</u>	<u>\$ -</u>

**5. DEFERRED FUNDING**

	2020	2019
Funds received in advance	\$ 94,834	\$ 79,525
Deferred funding	29,237	4,000
Restricted Laugh Out Loud fundraising	3,100	6,475
	<u>\$ 127,171</u>	<u>\$ 90,000</u>

**CALEDON PARENT-CHILD CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**6. INTERNALLY RESTRICTED NET ASSETS**

	<b>2020</b>	<b>2019</b>
<b>Contingency</b>		
Balance, beginning	\$ 159,262	\$ 143,736
Interfund transfers from (to) general fund	11,049	15,526
Balance, ending	<u>170,312</u>	<u>159,262</u>
<b>Adjustments After Birth</b>		
Balance, beginning	<u>1,930</u>	<u>1,930</u>
<b>Parent/Child Programs</b>		
Balance, beginning	123,332	123,332
Income	18	-
Balance, ending	<u>123,350</u>	<u>123,332</u>
<b>Family Support Programs</b>		
Balance, beginning	29,193	36,240
Income	-	1,600
Expenses	-	(8,647)
Balance, ending	<u>29,193</u>	<u>29,193</u>
<b>Pre-School Area</b>		
Balance, beginning	1,459	3,877
Interfund transfers from (to) general fund	-	(2,418)
Balance, ending	<u>1,459</u>	<u>1,459</u>
<b>Capital Assets (Van Replacement)</b>		
Balance, beginning	-	40,771
Income	9,531	-
Interfund transfers to Strategic Resourcing fund	-	(40,771)
Balance, ending	<u>9,531</u>	<u>-</u>
<b>Strategic Resourcing</b>		
Balance, beginning	40,170	-
Expense	(19,346)	(601)
Interfund transfers from Capital Assets (Van Replacement) fund	-	40,771
Balance, ending	<u>20,824</u>	<u>40,170</u>
<b>Continuing Education</b>		
Balance, beginning	<u>2,643</u>	<u>2,643</u>
Total of internally restricted funds	<u>\$ 359,242</u>	<u>\$ 357,989</u>

**CALEDON PARENT-CHILD CENTRE****Notes to Financial Statements****Year Ended March 31, 2020****7. GOVERNMENT FUNDING**

	2020	2019
<b>Municipal</b>		
Town of Caledon - In Kind (Note 8)	\$ 5,338	\$ 4,649
Town of Caledon	4,000	2,625
	<u>9,338</u>	<u>7,274</u>
<b>Region of Peel</b>		
Regional Government - EarlyON	\$ 650,288	\$ 481,397
Regional Government - EarlyON - One Time Grants	162,894	238,481
Community Investment Program - Sustainability / Core	104,183	121,875
Pay Equity	7,278	7,278
	<u>924,643</u>	<u>849,031</u>
<b>Provincial</b>		
Ministry of Children, Community and Social Services - Broader Public Sector	<u>1,075</u>	<u>1,075</u>
<b>Federal</b>		
Public Health Agency of Canada	24,250	24,250
Employment and Social Development Canada - Canada Summer Jobs	<u>12,063</u>	<u>11,254</u>
	<u>36,313</u>	<u>35,504</u>
	<u>\$ 971,369</u>	<u>\$ 892,884</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 \$5,338 of in kind rental funding (2019- \$4,649).

**9. INVENTORY**

Included in promotion and appreciation are items with a cost of \$29,676 that are still on hand with the Organization. In order to better reflect the reality of the Organization's funding agreements, they have chosen to expense the items in the current year, instead of treat them as assets for future use, as is required by GAAP.

**CALEDON PARENT-CHILD CENTRE**

**Notes to Financial Statements**

**Year Ended March 31, 2020**

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**10. SUBSEQUENT EVENTS**

Since March 31, 2020 the spread of Covid-19 has severely impacted many local economies in Canada. Organizations are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus including closures of non-essential services have triggered significant disruptions to Organizations, resulting in an economic slowdown. The Organization has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended March 31, 2020 have not been adjusted to reflect any impact. The duration and impact of the Covid-19 pandemic remains unclear at this time and it is not possible to reliably estimate the duration and severity of these consequences, or their impact on the financial position and results of the Organization for future periods.

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