

**CALEDON PARENT-CHILD CENTRE**

**Financial Statements**

**Year Ended March 31, 2018**



CALEDON PARENT-CHILD CENTRE  
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Year Ended March 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of Caledon Parent-Child Centre

We have audited the accompanying financial statements of Caledon Parent-Child Centre, which comprise the statement of financial position as at March 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the 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 the auditor's 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, the auditor considers 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 qualified audit opinion.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Caledon Parent-Child Centre 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 Caledon Parent-Child Centre. 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, 2018, current assets and net assets as at March 31, 2018.

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

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Caledon Parent-Child Centre as at March 31, 2018 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mono, Ontario  
May 24, 2018

*Whalen 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, 2018

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 4)</i>	\$ 448,902	\$ 460,235
Accounts receivable	12,105	9,878
Harmonized sales tax recoverable	12,933	13,147
Prepaid expenses	3,267	1,480
	<u>477,207</u>	<u>484,740</u>
LONG TERM INVESTMENTS <i>(Note 5)</i>	<u>101,170</u>	<u>71,309</u>
	<u>\$ 578,377</u>	<u>\$ 556,049</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 14,841	\$ 17,212
Wages and employee deductions payable	62,228	51,776
Deferred revenue <i>(Note 6)</i>	102,717	92,590
	<u>179,786</u>	<u>161,578</u>
<b>NET ASSETS</b>		
General fund	46,061	43,065
Internally restricted	352,530	351,406
	<u>398,591</u>	<u>394,471</u>
	<u>\$ 578,377</u>	<u>\$ 556,049</u>

ON BEHALF OF THE BOARD

Susan C. Vail Director  
Theresa Colasanti Director

See notes to financial statements



CALEDON PARENT-CHILD CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2018

	General Fund		Internally Restricted (Note 7)		2018	2017
NET ASSETS - BEGINNING OF YEAR	\$	43,065	\$	351,406	\$ 394,471	\$ 386,358
Excess of revenues over expenses		11,768		(7,649)	4,120	8,113
Interfund transfers		(8,772)		8,772	-	-
NET ASSETS - END OF YEAR	\$	46,061	\$	352,530	\$ 398,591	\$ 394,471

**CALEDON PARENT-CHILD CENTRE**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2018**

	2018	2017
<b>REVENUES</b>		
Region of Peel	\$ 381,170	\$ 346,693
Provincial	151,075	201,075
United Way	52,520	52,520
Federal	40,283	34,848
Donations	34,174	22,258
Fundraising	20,199	17,643
Town of Caledon Municipal	8,866	5,163
Sponsorship	4,750	4,500
Interest income	4,515	4,765
Fees and other	16	1,368
	<u>697,568</u>	<u>690,833</u>
<b>EXPENSES</b>		
Salaries	451,987	442,421
Occupancy and insurance	109,822	107,957
Employee benefits	59,594	56,369
Program supplies and equipment	11,934	7,493
Office expenses	11,714	15,467
Travel	10,985	9,835
Fundraising	10,544	10,033
Audit and legal	10,082	9,874
Promotion and appreciation	7,800	7,029
Professional services	4,452	371
Repairs and maintenance	2,553	12,602
Training	1,249	2,119
Memberships and dues	655	864
Equipment & furnishing	77	286
	<u>693,448</u>	<u>682,720</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 4,120</u>	<u>\$ 8,113</u>



**CALEDON PARENT-CHILD CENTRE**

**Statement of Cash Flow**

**Year Ended March 31, 2018**

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 4,120	\$ 8,113
Changes in non-cash working capital:		
Accounts receivable	(2,227)	(448)
Accounts payable	(2,371)	(700)
Deferred revenue	10,127	(28,696)
Prepaid expenses	(1,787)	1,466
Harmonized sales tax payable	214	(5,581)
Wages and employee deductions payable	10,452	11,219
	<u>14,408</u>	<u>(22,740)</u>
Cash flow from (used by) operating activities	<u>18,528</u>	<u>(14,627)</u>
<b>INVESTING ACTIVITY</b>		
Long term Investments	<u>(29,861)</u>	<u>(71,309)</u>
<b>DECREASE IN CASH FLOW</b>	<u>(11,333)</u>	<u>(85,936)</u>
Cash - beginning of year	<u>460,235</u>	<u>546,171</u>
<b>CASH - END OF YEAR (Note 4)</b>	<u>\$ 448,902</u>	<u>\$ 460,235</u>

See notes to financial statements



# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

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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 (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 Ministry of Education and 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 \$7,913 in capital assets was charged to expenses. In 2017 \$3,372 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, 2018

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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 Capital Improvement reserve is to be used to fund significant repairs and capital improvements in the centre.

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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#### 3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

### 4. CASH AND CASH EQUIVALENTS

	2018	2017
Guaranteed Investment Certificate - earning interest at 1.760% matures April 28, 2017	\$ -	\$ 101,629
Guaranteed Investment Certificate - earning interest at 1.200% matures October 7, 2017	-	150,868
Guaranteed Investment Certificate - earning interest at 2.020% matures April 30, 2018	71,306	-
Cash	377,597	207,738
	<u>\$ 448,902</u>	<u>\$ 460,235</u>

### 5. LONG TERM INVESTMENTS

	2018	2017
Guaranteed Investment Certificate - earning interest at 2.020% matures April 30, 2018	\$ -	\$ 71,309
Guaranteed Investment Certificate - earning interest at 1.950% matures August 26, 2019	101,170	-
	<u>\$ 101,170</u>	<u>\$ 71,309</u>

### 6. DEFERRED REVENUE

	2018	2017
Funds received in advance	\$ 97,992	\$ 86,290
Restricted Laugh Out Loud fundraising	4,725	6,300
	<u>\$ 102,717</u>	<u>\$ 92,590</u>

### 7. INTERNALLY RESTRICTED NET ASSETS

	2018	2017
<b>Contingency</b>		
Balance, beginning	\$ 141,963	\$ 144,538
Interfund transfers from (to) general fund	1,772	(2,575)
Balance, ending	<u>143,736</u>	<u>141,963</u>
<b>Adjustments After Birth</b>		
Balance, beginning	9,591	23,672
Interfund transfers from (to) general fund	-	(14,081)
Expenses	(7,661)	-
Balance, ending	<u>1,930</u>	<u>9,591</u>

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# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

### 7. INTERNALLY RESTRICTED NET ASSETS *(continued)*

#### Parent/Child Programs

Balance, beginning	122,332	121,832
Income	1,000	500
Balance, ending	123,332	122,332

#### Family Support Programs

Balance, beginning	37,635	19,898
Income	6,000	34,204
Expenses	(7,394)	(8,263)
Interfund transfers from (to) general fund	-	(8,204)
Balance, ending	36,241	37,635

#### Pre-School Area

Balance, beginning	3,472	3,472
Income	8,000	-
Expenses	(7,594)	-
Balance, ending	3,878	3,472

#### Capital Assets (Van Replacement)

Balance, beginning	33,771	26,771
Interfund transfers from (to) general fund	7,000	7,000
Balance, ending	40,771	33,771

#### Capital Improvement Fund

Balance, beginning	-	289
Interfund transfers from (to) general fund	-	(289)
Balance, ending	-	-

#### Continuing Education

Balance, beginning	2,643	2,947
Interfund transfers from (to) general fund	-	(304)
Balance, ending	2,643	2,643

Total of internally restricted funds	\$ 352,530	\$ 351,406
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# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2018

### 8. GOVERNMENT FUNDING

	2018	2017
<b>Municipal</b>		
Town of Caledon - In Kind	\$ 5,366	\$ 4,288
Town of Caledon	3,500	875
	<u>8,866</u>	<u>5,163</u>
<b>Region of Peel</b>		
Resource Centre	143,543	191,390
Community Investment Program - Sustainability	110,173	109,913
Regional Government - Early On	54,343	-
Regional Government - CCRC	51,675	-
Transition Funding	10,000	23,908
Pay Equity	7,278	7,278
Community Investment Program - OEF	4,158	-
Community Investment Program - Small Capital	-	14,204
	<u>381,170</u>	<u>346,693</u>
<b>Provincial</b>		
Early Years Centre	150,000	200,000
Broader Public Sector	1,075	1,075
	<u>151,075</u>	<u>201,075</u>
<b>Federal</b>		
Health Canada	24,239	24,249
Human Resources and Skills Development Canada	16,044	10,599
	<u>40,283</u>	<u>34,848</u>
	<u>\$ 581,394</u>	<u>\$ 587,779</u>

### 9. 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 \$5,366 of in kind rental funding (2017- \$4,288).