

CALEDON PARENT-CHILD CENTRE

Financial Statements

Year Ended March 31, 2024

CALEDON PARENT-CHILD CENTRE

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Year Ended March 31, 2024

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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 ("Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of revenues and expenditures, changes in net assets and cash flows for the years 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, 2024 and 2023, and its results of operations and its cash flows for the years 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 years ended March 31, 2024 and 2023, current assets and net assets as at March 31, 2024 and 2023.

As discussed in (*Note 10*) to the financial statements, items with a cost of \$10,716 (2023- \$17,254) were included in promotion and appreciation expense in the prior year, they are still on hand with the Organization. This constitutes a departure from Canadian accounting standards for not-for-profit organizations. The assets 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.

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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of
Ontario

Markham, Ontario
June 17, 2024

CALEDON PARENT-CHILD CENTRE

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	\$ 700,235	\$ 626,748
Accounts receivable	6,933	5,785
Harmonized sales tax recoverable	24,324	15,302
Prepaid expenses	32,106	6,000
	<u>\$ 763,598</u>	<u>\$ 653,835</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 41,589	\$ 24,219
Funding repayment (Note 4)	42,308	67,815
Wages payable	93,179	78,599
Deferred income (Note 5)	109,034	9,580
	<u>286,110</u>	<u>180,213</u>
Net Assets		
General fund	91,657	94,591
Internally Restricted (Note 6)	385,831	379,031
	<u>477,488</u>	<u>473,622</u>
	<u>\$ 763,598</u>	<u>\$ 653,835</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

CALEDON PARENT-CHILD CENTRE

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	2024	2023
REVENUES		
Region of Peel (Note 7)	\$ 1,328,365	\$ 1,158,325
United Way of Greater Toronto	-	11,817
Federal (Note 7)	97,573	33,840
Ontario Trillium Foundation	37,931	9,490
Fundraising & Donations	37,134	12,803
Interest Income	17,550	9,036
Town of Caledon (Note 7) (Note 8)	9,374	10,912
Provincial (Note 7)	1,075	1,075
Fees and Other	26	22
	<u>1,529,028</u>	<u>1,247,320</u>
EXPENSES		
Salaries	866,032	786,807
Occupancy and Insurance	205,347	207,079
Employee Benefits	176,071	116,516
Professional Services	143,914	29,703
Program supplies and equipment	44,664	15,646
Office	35,377	27,395
Audit and legal	19,044	11,217
Fundraising	16,575	2,673
Promotion and appreciation	9,895	30,991
Travel	8,243	6,388
	<u>1,525,162</u>	<u>1,234,415</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 3,866</u>	<u>\$ 12,905</u>

See notes to financial statements

CALEDON PARENT-CHILD CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2024

	General Fund	Restricted Fund	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 94,591	\$ 379,031	\$ 473,622	\$ 460,717
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,866	-	3,866	12,905
INTERFUND TRANSFER (Note 6)	(6,800)	6,800	-	-
NET ASSETS - END OF YEAR	\$ 91,657	\$ 385,831	\$ 477,488	\$ 473,622

See notes to financial statements

CALEDON PARENT-CHILD CENTRE

Statement of Cash Flows
Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 3,866	\$ 12,905
Changes in non-cash working capital:		
Accounts receivable	(1,148)	1,830
Accounts payable and accrued liabilities	17,370	2,189
Funding Repayment	(25,507)	(50,425)
Deferred income	99,454	(4,355)
Prepaid expenses	(26,106)	838
Harmonized sales tax receivable	(9,022)	24,852
Wages payable	14,580	(9,567)
	<u>69,621</u>	<u>(34,638)</u>
INCREASE (DECREASE) IN CASH FLOW	73,487	(21,733)
Cash - beginning of year	<u>626,748</u>	<u>648,481</u>
CASH - END OF YEAR	\$ 700,235	\$ 626,748

See notes to financial statements

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

1. NATURE OF OPERATIONS

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 non-profit organizations (ASNPO), 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 the 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.

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CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

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

Deferred Contributions

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

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:

- i. The Contingency Reserve is established to ensure that Caledon Parent-Child Centre has a minimum of three months of operational expenses for contingency purposes. In the event of a deficiency in the contingency reserve, the organization shall utilize its general fund to fulfill contingent obligations.
- ii. The Adjustments After Birth reserve is to be used to fund costs related to Adjustments After Birth Programs.
- iii. The Parent/Child Programs reserve is to be used to fund costs related to Parent/Child Programs.
- iv. The Family Support Programs reserve is to be used to fund costs related to Family Support Programs.
- v. The Pre-School Area reserve is to be used to fund a preschool area in the Centre.
- vi. The Capital Asset reserve is to be used to fund the purchase of a new van.
- vii. The Continuing Education reserve is to be 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.

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CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

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

Measurement Uncertainty

The preparation of the financial statements in conformity with Canadian accounting standards for non-profit organization 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.

3. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Cash	\$ 319,460	\$ 282,966
High interest Savings Account - earning interest at 4.55% at March 31, 2024 (3.61% at March 31, 2023)	176,070	136,018
Guaranteed Investment Certificate - earning interest at 4.75% matures October 24, 2023	-	102,056
Guaranteed Investment Certificate - earning interest at 4.10% matures October 21, 2023	-	105,985
Guaranteed Investment Certificate - earning interest at 5.85% matures October 25, 2024	102,500	-
Guaranteed Investment Certificate - earning interest at 5% matures October 21, 2024	102,205	-
	<u>\$ 700,235</u>	<u>\$ 627,025</u>

4. FUNDING REPAYMENT

The funding repayment represents a surplus of funding that is to be recovered by the Region of Peel in the amount of \$42,308 (2023 - \$67,815) for EarlyON Centres: Operating Funding.

	<u>2024</u>	<u>2023</u>
Funding Repayment	\$ 42,308	\$ 67,815

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

5. DEFERRED FUNDING

	2024	2023
Deferred designated donations	\$ 2,103	\$ 2,103
Deferred funding from region of peel	39,408	7,477
Deferred funding from federal	39,004	-
Deferred funding from ontario trillium foundation	14,369	-
In kind funding received in advance - MACG	14,150	-
	\$ 109,034	\$ 9,580

6. INTERNALLY RESTRICTED NET ASSETS

	2024	2023
Contingency Fund		
Contingency Fund	\$ 181,112	\$ 181,112
Adjustments After Birth Fund	1,930	1,930
Parent/Child Programs Fund	123,350	123,350
Family Support Programs Fund		
Opening Balance	32,296	30,193
Income / (Expense)	(2,103)	2,103
Balance, ending	30,193	32,296
Pre-School Area Fund	1,459	1,459
Capital Assets (Van Replacement) Fund		
Opening Balance	36,241	27,338
Interfund transfers from (to) general fund	8,903	8,903
Balance, ending	45,144	36,241
Continuing Education Fund	2,643	2,643
Grand total	\$ 385,831	\$ 379,031

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

7. GOVERNMENT FUNDING

	2024	2023
Region of Peel		
EarlyON Centres: Operating Funding	\$ 1,139,261	\$ 1,051,343
Community Investment Program: Core Fund	97,635	98,849
EarlyON Centres: Workforce Innovation Funding (WIF)	7,477	855
Community Investment Program: Capacity Fund	15,001	-
EarlyON Centres: One Time Retention Grant	47,960	-
EarlyON Centres: Mental Health Supports Funding	21,031	-
EarlyON Centres: Pay Equity	-	7,278
	1,328,365	1,158,325
Municipal		
Town of Caledon: In Kind - MACG	3,374	4,267
Town of Caledon: Financial Grant - MACG	6,000	6,645
	9,374	10,912
Provincial		
Ministry of Children, Community and Social Services - Broader Public Sector	1,075	1,075
Federal		
Public Health Agency of Canada - Community Action Program for Children	24,770	24,770
Employment and Social Development Canada - Canada Summer Jobs	12,498	9,070
Government of Canada - Community Services Recovery Fund	60,305	-
	97,573	33,840
Grand total	\$ 1,436,387	\$ 1,204,152

8. NON MONETARY TRANSACTIONS

The Town of Caledon has provided a grant to offset the cost of renting space for grant 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 in the period incurred.

During the current fiscal year, the organization received \$3,374 of in kind rental funding (2023 - \$4,267).

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2024

9. LEASE COMMITMENTS

The Organization has leases with respect to the premises. Future minimum lease payments as at March 31, 2024, are as follows:

2025	\$	207,071
2026		201,867
2027		177,857
2028		<u>135,364</u>
	\$	<u>722,159</u>

10. INVENTORY

At the end of the current year, promotion and appreciation items were expensed, they were on hand at the end of the year and should have been recorded as inventory, and the cost of the items still on hand at March 31, 2024 is \$10,716 (2023 - \$17,254). In order to better reflect the reality of the organization's funding agreements, they choose to expense the items in the prior year, instead of treating them as assets for future use, as is required by GAAP.

11. COMPARATIVE FIGURES

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