

**CALEDON PARENT-CHILD CENTRE**

**Financial Statements**

**Year Ended March 31, 2016**

**CALEDON PARENT-CHILD CENTRE**

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**Year Ended March 31, 2016**

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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, 2016 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, 2016, current assets and net assets as at March 31, 2016.

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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, 2016 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, 2016

*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, 2016

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents <i>(Note 3)</i>	\$ 546,171	\$ 549,229
Short term investment <i>(Note 4)</i>	-	9,454
Accounts receivable	9,430	17,770
Harmonized sales tax recoverable	7,566	14,971
Prepaid expenses	2,946	3,163
	<u>\$ 566,113</u>	<u>\$ 594,587</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 17,912	\$ 10,422
Wages and employee deductions payable	40,557	45,147
Deferred revenue <i>(Note 5)</i>	121,286	162,591
	<u>179,755</u>	<u>218,160</u>
<b>NET ASSETS</b>	<u>386,358</u>	<u>376,427</u>
	<u>\$ 566,113</u>	<u>\$ 594,587</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, 2016**

	General Fund		Internally Restricted		2016	2015
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$	49,978	\$	326,449	\$ 376,427	\$ 334,843
Excess (deficiency) of revenue over expenses		(5,231)		15,162	9,931	41,584
Interfund transfers		(1,808)		1,808	-	-
<b>NET ASSETS - END OF YEAR</b>	\$	42,939	\$	343,419	\$ 386,358	\$ 376,427

**CALEDON PARENT-CHILD CENTRE**  
**Statement of Revenues and Expenditures**  
**For the Year Ended March 31, 2016**

	2016	2015
<b>REVENUE</b>		
Region of Peel <i>(Note 7)</i>	\$ 399,672	\$ 430,702
Provincial funding <i>(Note 7)</i>	204,628	246,788
United way funding	52,520	52,000
Federal funding <i>(Note 7)</i>	30,323	34,606
Donations	30,026	22,636
Fundraising	16,602	21,819
Sponsorship	6,100	6,248
Interest income	4,602	5,514
Fees and other	2,086	785
	<u>746,559</u>	<u>821,098</u>
<b>EXPENSES</b>		
Salaries	484,660	515,125
Occupancy and insurance	107,465	104,551
Employee benefits	60,721	61,940
Program supplies	12,662	12,175
Repairs and maintenance	11,898	-
Audit and legal	10,840	9,485
Office	10,561	13,138
Promotion and appreciation	10,546	14,004
Fundraising	9,583	9,816
Travel	9,563	10,737
Professional services	3,154	23,791
Training	2,438	2,391
Program equipment & furnishings	1,704	1,294
Memberships and dues	833	1,067
	<u>736,628</u>	<u>779,514</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 9,931</u>	<u>\$ 41,584</u>

**CALEDON PARENT-CHILD CENTRE**

**Statement of Cash Flow**

**Year Ended March 31, 2016**

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 9,931	\$ 41,584
Changes in non-cash working capital:		
Accounts receivable	8,340	(9,420)
Accounts payable	7,490	1,890
Deferred revenue	(41,305)	(11,066)
Prepaid expenses	217	(842)
Harmonized sales tax payable	7,405	(8,744)
Short term investment	9,454	(9,454)
Wages and employee deductions payable	(4,590)	(7,356)
	(12,989)	(44,992)
Cash flow used by operating activities	(3,058)	(3,408)
<b>INVESTING ACTIVITY</b>		
Long term Investments	-	9,500
<b>(DECREASE) INCREASE IN CASH FLOW</b>	(3,058)	6,092
Cash and cash equivalents - beginning of year	549,229	543,137
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 546,171</b>	<b>\$ 549,229</b>

# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2016

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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 resource 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).

#### 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 \$nil in capital assets was charged to expenses. In 2015 \$1,636 was charged to office expenses and \$1,349 to program supplies.

#### 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, 2016

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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 to provide working capital during the fluctuating periods when the inflow of revenue does not keep pace with approved expenditures. It is calculated based on three months of the current year necessary expenditures.

The Adjustment After Birth reserve is to be used to fund costs related to future Adjustment After Birth programs.

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

The Family Support Programs reserve is to be used to fund costs related to future 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 Professional Development reserve is to be used for professional development 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, 2016

### 3. CASH AND CASH EQUIVALENTS

	2016	2015
Guaranteed Investment Certificate - earned interest at 1.950% matured September 24, 2015	\$ -	\$ 101,010
Guaranteed Investment Certificate - earned interest at 1.950% matured September 24, 2015	-	101,009
High Interest Savings Account - earning interest at 0.75% at March 31, 2016	368,895	166,829
Cash	177,276	180,381
	<u>\$ 546,171</u>	<u>\$ 549,229</u>

### 4. SHORT-TERM INVESTMENT

	2016	2015
Canada Savings Bond Book value equals redemption value. Interest is earned at 0.49% paid at maturity, compounded annually, maturing in 2015.	\$ -	\$ 9,454

### 5. DEFERRED REVENUE

	2016	2015
Funds received in advance	\$ 105,932	\$ 144,487
Restricted Sustainability - Small Capital funding	14,204	-
Restricted Laugh out Loud funding	1,150	6,300
Restricted Trillium funding	-	9,944
Restricted Community Investment Program funding	-	1,860
	<u>\$ 121,286</u>	<u>\$ 162,591</u>

### 6. INTERNALLY RESTRICTED NET ASSETS

	2016	2015
<b>Contingency</b>		
Balance, beginning	\$ 156,050	\$ 149,440
Interfund transfers from (to) general fund	(11,512)	6,610
Balance, ending	<u>144,538</u>	<u>156,050</u>
<b>Adjustment After Birth</b>		
Balance, beginning	23,756	23,959
Interfund transfers from (to) general fund	(85)	(203)
Balance, ending	<u>23,671</u>	<u>23,756</u>

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# CALEDON PARENT-CHILD CENTRE

## Notes to Financial Statements

Year Ended March 31, 2016

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

<b>Parent/Child Programs</b>		
Balance, beginning	121,833	99,767
Income	-	30,487
Expenses	-	(8,193)
Interfund transfers from (to) general fund	-	(228)
Balance, ending	121,833	121,833
<b>Family Support Programs</b>		
Income	27,536	-
Expenses	(7,638)	-
Balance, ending	19,898	-
<b>Pre-School Area</b>		
Balance, beginning	2,799	1,087
Income	1,115	1,997
Expenses	(443)	(285)
Balance, ending	3,471	2,799
<b>Capital Assets (Van Replacement)</b>		
Balance, beginning	19,771	14,850
Interfund transfers from (to) general fund	7,000	4,921
Balance, ending	26,771	19,771
<b>Capital Improvement Fund</b>		
Income	6,490	-
Expenses	(11,898)	-
Interfund transfers from (to) general fund	5,698	-
Balance, ending	290	-
<b>Professional Development</b>		
Balance, beginning	2,240	3,500
Interfund transfers from (to) general fund	707	(1,260)
Balance, ending	2,947	2,240
Total of internally restricted funds	\$ 343,419	\$ 326,449

**CALEDON PARENT-CHILD CENTRE****Notes to Financial Statements****Year Ended March 31, 2016****7. GOVERNMENT FUNDING**

	<u>2016</u>	<u>2015</u>
<b>Region of Peel</b>		
Resource Centre	\$ 191,391	\$ 192,007
Community Investment Program Sustainability	173,688	187,456
Special Needs	19,346	27,011
Transition fund	7,969	-
Pay Equity	7,278	7,278
Community Investment Program Organizational Effectiveness Fund	-	16,950
	<u>399,672</u>	<u>430,702</u>
 <b>Provincial</b>		
Early Years Centre	200,000	200,000
Trillium Funding	3,553	45,713
Broader Public Sector	1,075	1,075
	<u>204,628</u>	<u>246,788</u>
 <b>Federal</b>		
Health Canada	23,511	24,245
Human Resources and Skills Development Canada	6,812	10,361
	<u>30,323</u>	<u>34,606</u>
	<u>\$ 634,623</u>	<u>\$ 712,096</u>