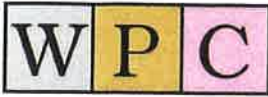


CALEDON PARENT-CHILD CENTRE
Financial Statements
Year Ended March 31, 2021



CALEDON PARENT-CHILD CENTRE
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Year Ended March 31, 2021

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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, 2021, 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, 2021, 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, 2021, current assets and net assets as at March 31, 2021.

As discussed in (Note 10) to the financial statements, items with a cost of \$28,010 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.

(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
June 15, 2021

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, 2021

	2021	2020
ASSETS		
CURRENT		
Cash and cash equivalents <i>(Note 3)</i>	\$ 705,630	\$ 501,122
Accounts receivable	15,995	16,434
Harmonized sales tax recoverable	20,248	23,297
Prepaid expenses	4,659	1,547
	<u>746,532</u>	<u>542,400</u>
LONG TERM INVESTMENTS <i>(Note 4)</i>	-	201,513
	<u>\$ 746,532</u>	<u>\$ 743,913</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 43,862	\$ 12,205
Wages and employee deductions payable	71,190	65,384
Funding repayment <i>(Note 5)</i>	113,022	61,196
Deferred funding <i>(Note 6)</i>	46,150	127,171
	<u>274,224</u>	<u>265,956</u>
NET ASSETS		
General fund	110,635	118,715
Internally restricted	361,673	359,242
	<u>472,308</u>	<u>477,957</u>
	<u>\$ 746,532</u>	<u>\$ 743,913</u>

ON BEHALF OF THE BOARD

Susan C. Vuk Director
Susan Colasanti Director



See notes to financial statements

CALEDON PARENT-CHILD CENTRE

Statement of Changes in Net Assets

Year Ended March 31, 2021

	General Fund	Internally Restricted (Note 7)	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 118,715	\$ 359,242	\$ 477,957	\$ 445,918
Deficiency of revenues over expenses	11,624	(17,274)	(5,649)	32,039
Interfund transfers	(19,704)	19,704	-	-
NET ASSETS - END OF YEAR	\$ 110,635	\$ 361,673	\$ 472,308	\$ 477,957



CALEDON PARENT-CHILD CENTRE
Statement of Revenues and Expenditures
Year Ended March 31, 2021

	2021	2020
REVENUES		
Region of Peel <i>(Note 8)</i>	\$ 826,043	\$ 924,643
Town of Caledon Municipal <i>(Notes 8, 9)</i>	70,334	9,338
United Way of Greater Toronto	57,720	52,520
Federal <i>(Note 8)</i>	39,176	38,949
Donations	21,678	21,104
Interest income	5,777	7,712
Provincial <i>(Note 8)</i>	1,075	1,075
Fees and other	20	10,362
Sponsorship	-	5,500
Fundraising	-	25,792
	<u>1,021,823</u>	<u>1,096,995</u>
EXPENSES		
Salaries	625,627	670,839
Occupancy and insurance <i>(Note 9)</i>	144,355	120,898
Program supplies and equipment	76,396	77,512
Employee benefits	74,660	80,600
Office and general	60,923	21,379
Professional services	20,318	16,142
Promotion and appreciation <i>(Note 10)</i>	8,666	40,146
Audit and legal	7,276	7,172
Travel	6,593	8,268
Repairs and maintenance	1,926	11,001
Fundraising	732	10,999
	<u>1,027,472</u>	<u>1,064,956</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (5,649)	\$ 32,039

CALEDON PARENT-CHILD CENTRE**Statement of Cash Flow****Year Ended March 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (5,649)	\$ 32,039
Changes in non-cash working capital:		
Accounts receivable	439	(2,272)
Accounts payable	31,657	(335)
Funding repayment	51,826	61,196
Deferred funding	(81,021)	37,171
Prepaid expenses	(3,112)	249
Harmonized sales tax payable	3,049	933
Wages and employee deductions payable	5,806	(11,951)
	<u>8,644</u>	<u>84,991</u>
Cash flow from operating activities	<u>2,995</u>	<u>117,030</u>
INVESTING ACTIVITY		
Long term investments	<u>201,513</u>	<u>(201,513)</u>
INCREASE (DECREASE) IN CASH FLOW	204,508	(84,483)
Cash - beginning of year	<u>501,122</u>	<u>585,605</u>
CASH - END OF YEAR (Note 3)	\$ 705,630	\$ 501,122
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest received	<u>\$ (5,777)</u>	<u>\$ (7,712)</u>

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

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 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 \$59,168 in capital assets was charged to expenses (2020 - \$16,365)

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.

(continues)

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

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, 2021****3. CASH AND CASH EQUIVALENTS**

	2021	2020
Cash	\$ 369,274	\$ 368,872
High Interest Savings Account - earning interest at 0.22% at March 31, 2021	132,749	132,250
Guaranteed Investment Certificate - earning interest at 2.10% matures September 13, 2021	102,555	-
Guaranteed Investment Certificate - earning interest at 2.30% matures October 12, 2021	101,052	-
	<u>\$ 705,630</u>	<u>\$ 501,122</u>

4. LONG TERM INVESTMENTS

	2021	2020
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>\$ -</u>	<u>\$ 201,513</u>

5. FUNDING REPAYMENT

The funding repayment represents a surplus of funding that is to be recovered by the Region of Peel in the amount of \$69,729 relating to core funding and \$43,293 relating to one time funding.

6. DEFERRED FUNDING

	2021	2020
Funds received in advance from Region of Peel	\$ 24,658	\$ 94,834
Deferred funding from Region of Peel	14,847	29,237
Funds received in advance from Town of Caledon	6,645	-
Restricted Laugh Out Loud fundraising	-	3,100
	<u>\$ 46,150</u>	<u>\$ 127,171</u>

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

7. INTERNALLY RESTRICTED NET ASSETS

	2021	2020
Contingency		
Balance, beginning	\$ 170,311	\$ 159,263
Interfund transfers from (to) general fund	10,801	11,049
Balance, ending	<u>181,113</u>	<u>170,312</u>
Adjustments After Birth		
Balance, beginning	<u>1,930</u>	1,930
Parent/Child Programs		
Balance, beginning	123,350	123,332
Income	-	18
Balance, ending	<u>123,350</u>	<u>123,350</u>
Family Support Programs		
Balance, beginning	29,193	29,193
Income	3,550	-
Balance, ending	<u>32,743</u>	<u>29,193</u>
Pre-School Area		
Balance, beginning	<u>1,459</u>	1,459
Capital Assets (Van Replacement)		
Balance, beginning	9,532	-
Income	-	9,531
Interfund transfers from (to) general fund	8,903	-
Balance, ending	<u>18,435</u>	<u>9,531</u>
Strategic Resourcing		
Balance, beginning	20,824	40,170
Expense	(20,824)	(19,346)
Balance, ending	<u>-</u>	<u>20,824</u>
Continuing Education		
Balance, beginning	<u>2,643</u>	2,643
Total of internally restricted funds	<u>\$ 361,673</u>	<u>\$ 359,242</u>

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

8. GOVERNMENT FUNDING

	<u>2021</u>	<u>2020</u>
Municipal		
Town of Caledon - Lease Refunds (Note 9)	\$ 70,334	\$ -
Town of Caledon - In Kind (Note 9)	-	5,338
Town of Caledon	-	4,000
	<u>70,334</u>	<u>9,338</u>
Region of Peel		
EarlyON - Child & Family Centre	\$ 600,770	\$ 650,288
EarlyON - One Time Grants	119,363	162,894
Community Investment Program - Sustainability / Core	98,632	104,183
Pay Equity	7,278	7,278
	<u>826,043</u>	<u>924,643</u>
Provincial		
Ministry of Children, Community and Social Services - Broader Public Sector	<u>1,075</u>	<u>1,075</u>
Federal		
Public Health Agency of Canada	24,770	24,250
Temporary wage subsidy	10,169	2,636
Employment and Social Development Canada - Canada Summer Jobs	4,237	12,063
	<u>39,176</u>	<u>38,949</u>
	<u>\$ 936,628</u>	<u>\$ 974,005</u>

9. NON-MONETARY TRANSACTIONS

Lease refunds were received in the amount of \$70,334 to provide relief during the pandemic.

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 \$nil of in kind rental funding (2020- \$5,338).

10. INVENTORY

In the prior year \$29,676 of promotion and appreciation items were expensed, they were on hand at the end of the year and should have been recorded as inventory. At the end of the current year the organization has used some of the items, and the cost of the items still on hand at March 31, 2021 is \$28,010. 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 treat them as assets for future use, as is required by GAAP.

CALEDON PARENT-CHILD CENTRE

Notes to Financial Statements

Year Ended March 31, 2021

11. LEASE COMMITMENTS

The organization has leases with respect to the premises. Future minimum lease payments as at March 31, 2021, are as follows:

Contractual obligation repayment schedule:

2022	\$	126,760
2023		129,276
2024		106,654
2025		33,191
2026		33,859
Thereafter		<u>133,045</u>
	\$	<u>562,785</u>

12. SUBSEQUENT EVENTS

Since March 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, 2021 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.
