Centennial Infant and Child Centre

Financial Statements

March 31, 2024

Koster, Spinks & Koster LLP
Chartered Professional Accountants

KSK Koster, Spinks & Koster LLP
Chartered Professional | Accountants

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Independent Auditor's Report

To the Directors of
Centennial Infant and Child Centre

Opinion

We have audited the accompanying financial statements of Centennial Infant and Child Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 Centre 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 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 Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Koster, Spinks & Koster LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
June 26, 2024

Centennial Infant and Child Centre

Statement of Financial Position
March 31, 2024

	2024	2023
Assets		
Current		
Cash	$ 871,489	$ 635,729
Accounts receivable (note 2)	43,728	53,268
Prepaid expenses	25,121	6,863
	940,338	695,860
Capital assets (note 3)	64,357	93,181
Fixed income security (note 4)	95,655	92,434
	160,012	185,615
	$ 1,100,350	$ 881,475
Current Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities	$ 124,269	$ 83,518
Due to City of Toronto (note 5)	306,558	150,759
Deferred revenue (note 7)	273,028	204,688
Deferred capital contributions (note 6)	64,086	89,501
	767,941	528,466
Fund balances		
Operating Funds (note 9)	332,409	353,009
	$ 1,100,350	$ 881,475

Approved by the Board of Directors:

T Griffith

Director
Tonia Griffith

Director
Usman Paracha

Centennial Infant and Child Centre

Statement of Operations and Changes in Fund Balances
For The Year Ended March 31, 2024

	Operating Funds				Total	
	Every Child Belongs	Group Centre	Early Intervention	Ancillary Services	2024	2023
Revenues						
City of Toronto (note 11)	$ 632,675	$ 255,373	$ -	$ 29,142	$ 917,190	$ 822,703
The Centennial Infant and Child Centre Foundation	800	6,000	368,278	197,472	572,550	392,234
Province of Ontario (note 11)	-	-	422,975	-	422,975	425,475
School fees	-	82,104	-	-	82,104	116,602
Amortization of deferred capital contributions (note 6)	15,084	11,213	1,406	-	27,703	27,703
Investment and other income	-	-	-	3,286	3,286	6,544
	648,559	354,690	792,659	229,900	2,025,808	1,791,261
Expenses						
Salaries and benefits	609,637	269,256	679,664	165,564	1,724,121	1,541,495
General	35,262	43,469	23,250	3,439	105,420	112,323
Program supplies	15,578	17,084	45,252	-	77,914	73,541
Rent	6,721	34,152	11,891	-	52,764	49,891
Amortization	16,774	11,630	2,708	-	31,112	34,867
Professional fees	7,667	5,829	7,495	3,500	24,491	39,138
Staff travel	1,663	26	13,586	-	15,275	13,874
Insurance	4,342	3,060	2,467	-	9,869	9,197
Staff training	2,105	380	2,957	-	5,442	5,825
	699,749	384,886	789,270	172,503	2,046,408	1,880,151
Deficiency of revenues over expenses	(51,190)	(30,196)	3,389	57,397	(20,600)	(88,890)
Fund balances, beginning of year	(94,809)	31,401	(1,236,913)	1,653,330	353,009	441,899
Fund balances, end of year	$ (145,999)	$ 1,205	$ (1,233,524)	$ 1,710,727	$ 332,409	$ 353,009

Centennial Infant and Child Centre

Statement of Cash Flows
For The Year Ended March 31, 2024

	2024	2023
Cash provided by (used for):		
Operating activities		
Deficiency of revenues over expenses for the year	$ (20,600)	$ (88,890)
Items not affecting cash:		
Amortization	31,112	34,867
Capitalized investment income	(3,221)	(3,112)
	7,291	(57,135)
Change in non-cash working capital items:		
Accounts receivable	9,540	79,872
Prepaid expenses	(18,258)	(392)
Accounts payable and accrued liabilities	40,751	(93,911)
Deferred capital contribution	(25,415)	(27,703)
Due to City of Toronto	155,799	-
Deferred revenue	68,340	6,603
Due from The Centennial Infant and Child Centre Foundation	-	2,549
	238,048	(90,117)
Investing activity		
Acquisition of capital assets	(2,288)	-
Change in cash during the year	235,760	(90,117)
Cash, beginning of year	635,729	725,846
Cash, end of year	$ 871,489	$ 635,729

Mission statement

Centennial Infant and Child Centre ("Centre") strengthens families and their young children with special needs to develop the confidence and skills for the best start in life.

The Centre is incorporated as a not-for-profit organization and is a registered charitable organization under the Income Tax Act and, as such, is exempt from income taxes.

The Centennial Infant and Child Centre Foundation

The Centennial Infant and Child Centre Foundation ("Foundation") was incorporated in October 1995. The articles of incorporation of the Foundation requires a minimum of two Directors of its Board of Directors to be members or honorary members of the Centre. The mission of the Foundation is primarily to provide long-term financial support for the operational and capital needs of the Centre through effective fundraising and the responsible stewardship of assets. Through this support the Foundation will aid in the education, development and rehabilitation of children with intellectual and developmental challenges.

The Foundation leases the building it owns to the Centre.

1. Significant accounting policies

These statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

a) Fund accounting

The financial activities of the Centre are classified into funds for reporting purposes. The Centre follows the deferral method of accounting for contributions.

b) Revenue recognition

i) Revenues from the City of Toronto, Province of Ontario, and the Foundation are recorded on the accrual basis.

ii) School fees are recognized as revenue in the year in which they are earned. Fees received in advance are recorded in the accounts as deferred revenue.

iii) Investment income is recognized as revenue when earned.

iv) Gifts-in-kind for which a charitable receipt has been issued are recorded when the gift is sold and the cash received.

v) The Centre makes periodic applications for financial assistance under various federal government programs. Government assistance is recorded using the gross method such that funds are recorded at the gross amount into revenue.

c) Deferred capital contributions

Externally restricted contributions for depreciable capital assets are deferred and amortized over the life of the related capital assets. Externally restricted capital asset contributions that have not been expended are recorded as part of deferred capital contributions on the statement of financial position.

d) Contributed services

The Centre receives substantial donations in-kind, such as volunteers' efforts to assist the Centre in fulfilling its purpose. These contributed services are not recognized in the financial statements because of the difficulty of determining their fair value.

e) Financial instruments

Measurement of financial instruments

The Centre initially measures its financial assets and liabilities at fair value. The Centre subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at cost or amortized cost include cash, accounts receivable and a fixed income security. Financial liabilities measured at cost or amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of operations.

Transaction costs

The Centre recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

f) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis over the estimated useful life of the assets based on the following number of years:

Computers	3 years
Office equipment	5 years

g) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results will differ from such estimates.

h) Administrative expenses

The Centre engages in three main service programs funded primarily by governmental agencies. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program and which are recognized by the funding agency as allowable expenses. The Centre also incurs a number of general support and service expenses that are common to the administration of the organization and each of its programs.

The Centre allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Corporate governance and general management expenses and certain service costs are not allocated to programs and are included in the Ancillary Service Fund. Other general support expenses are allocated based on management's judgment as to the extent of usage by each program.

2. Accounts receivable

The balance includes the HST receivable of $21,460 (2023: $20,274).

3. Capital assets

Capital assets consist of the following:

	2024			2023
	Cost	**Accumulated Amortization**	**Net Book Value**	**Net Book Value**
Computers	$ 172,001	$ 164,947	$ 7,054	$ 14,965
Office equipment	152,176	94,873	57,303	78,216
	$ 324,177	$ 259,820	$ 64,357	$ 93,181

4. Fixed income security

The fixed income security consists of the following:

	2024		2023	
	Cost	**Market**	**Cost**	**Market**
Province of Ontario coupon purchased for $66,075 yielding 3.484%, compounded semi-annually, and maturing on June 2, 2026.	$ 95,655	$ 94,327	$ 92,434	$ 92,250

5. Due to City of Toronto

In accordance with the terms of the Toronto Children's Services - Audit Guidelines for Agencies, the Centre is required to reimburse the City for any surplus for the full amount of the underspending in programs.

a) Every Child Belongs program

In the prior year, the Canada Emergency Wage Subsidy and the rent reduction received through the Canada Emergency Commercial Rent Assistance program resulted in a surplus. As a result, the remaining liability in the amount of $150,759 (2023: $150,759) has been included in accounts payable and accrued liabilities. Management anticipates that this amount will be repaid in the fall of 2024.

b) Preschool program

During the year, Toronto Children's Services provided a Canada-Wide Early Learning & Child Care (CWELCC) Affordability advance of $155,799. Subsequent to year-end, a letter was received requesting repayment of this amount, which was repaid in June 2024.

6. Deferred capital contributions

The deferred capital contributions during the year are as follows:

Opening balance, beginning of the year	$ 89,501
Additions during the year:	
Learning Strategy funding spent on computers	2,288
Amortization of deferred capital contributions	(27,703)
Closing balance, end of the year	$ 64,086

7. Deferred revenue

During the year, the Centre received the following funds which have been deferred at the year end:

	2024	2023
City of Toronto (note 8)		
Every Child Belongs resource subsidy	$ 173,721	$ 138,317
CWELCC Affordability	77,616	4,073
General operating grant	3,651	3,650
Pay equity grant	1,681	1,681
Professional Learning Strategy	3,662	1,540
CWELCC Workforce	83	-
Foundation grants	12,614	55,125
School fees - prepaid	-	302
	$ 273,028	$ 204,688

8. City of Toronto Funding Deferred to Future Years

	CWELCC Affordability	General Operating Fund	Pay Equity 1999-2005	Professional Learning Strategy	ECB Resource Funding	CWELCC Workforce	Pay Wage Enhancement
Balance, beginning of year	$ 4,073	$ 3,650	$ 1,681	$ 1,540	$ 138,317	$ -	$ -
Received in fiscal year	408,422	14,606	6,717	4,410	672,696	1,259	5,914
Used in accordance of the guidelines							
Retroactive claim April 2022 to December 2022	(13,237)	-	-	-	-	-	-
Retroactive claim January 2023 to March 2023	(13,414)	-	-	-	-	-	-
Used in fiscal year	(152,429)	(14,605)	(6,717)	(2,288)	(637,292)	(1,176)	(5,914)
	(179,080)	(14,605)	(6,717)	(2,288)	(637,292)	(1,176)	(5,914)
Recovery in fiscal year	(155,799)	-	-	-	-	-	-
Balance end of year	$ 77,616	$ 3,651	$ 1,681	$ 3,662	$ 173,721	$ 83	$ -

9. Operating Funds

The Group Centre Fund receives fees from parents of children involved in the Centre's pre-school program, funding from the City of Toronto for wage subsidies and for fee subsidies for parents meeting certain financial criteria. As a result of children with special needs participating in the pre- school program and consulting to other special needs children, there are additional costs incurred by the Centre. The City of Toronto provides the Every Child Belongs Fund (formerly Special Needs Resourcing Fund) with funding to partially defray some of these costs.

The Early Intervention Fund receives funding from the Province of Ontario for the Centre's program that supports and assists families with special needs children at home.

The Ancillary Services Fund supplements the existing programs provided by the Centre. These services, funded by grants, include occupational therapy, training and various administrative expenses.

10. Annual program expenditure reconciliation

The Centre has a Service Contract/CFSA Approval with the Province of Ontario Ministry of Children, Community and Social Services, which requires the annual filing of a Transfer Payment Annual Reconciliation ("TPAR") report. The TPAR report summarizes by service all revenues and expenditures and identifies any resulting surplus or deficit that relates to the Service Contract/CFSA Approval.

The TPAR report showed that the provincially funded Early Intervention Program incurred a surplus for the year ended March 31, 2024.

11. Government funding

a) The Centre received base funding from the Province of Ontario of $422,975 (2023: $425,475) for the Early Intervention Program.

The funding from the City of Toronto consists of the following:

	2024				2023
	Every Child Belongs	**Group Centre**	**Ancillary Services**	**Total**	**Total**
Fee subsidy	$ -	$ 61,102	$ -	$ 61,102	$ 68,600
Every Child Belongs resource subsidy	672,696	-	-	672,696	591,754
General operating grant	-	14,605	-	14,605	14,605
Pay equity	6,717	-	-	6,717	6,714
Provincial wage enhancement	3,738	587	1,590	5,915	-
Professional Learning Strategies	-	4,410	-	4,410	-
Safe restart funding 2022	-	-	-	-	44,510
One-on-One funding	-	-	17,460	17,460	24,773
CWELCC Workforce	433	-	827	1,260	-
CWELCC Affordability	-	408,422	-	408,422	65,820
CWELCC implementation	-	-	-	-	10,000
Total	683,584	489,126	19,877	1,192,587	826,776
Transferred to deferred revenue	(35,404)	(73,391)	(83)	(108,878)	(4,073)
Applied to accounts receivable	(15,505)	(2,275)	9,348	(8,432)	-
Transferred to capitalized assets	-	(2,288)	-	(2,288)	-
Base grant recovery	-	(155,799)	-	(155,799)	-
	$ 632,675	$ 255,373	$ 29,142	$ 917,190	$ 822,703

b) The Centre operates two programs with service agreements with the City of Toronto's Children's Services Division (TCS). The revenues related to these programs are as follows:

	2024			2023
	Every Child Belongs	**Group Centre**	**Total**	**Total**
Revenue				
City of Toronto				
Base operating grants	$ 621,787	$ -	$ 621,787	$ 591,754
Fee subsidy	-	61,102	61,102	68,600
General operating grant	-	14,605	14,605	14,605
Pay equity	6,717	-	6,717	6,714
Provincial wage enhancement	3,738	587	4,325	-
Safe restart funding 2022	-	-	-	44,510
CWELCC Affordability	-	179,079	179,079	61,747
CWELCC implementation	-	-	-	10,000
CWELCC Workforce	433	-	433	-
	632,675	255,373	888,048	797,930
Non TCS grants and other income				
The Centennial Infant and Child Centre Foundation	800	6,000	6,800	10,813
School fees	-	82,104	82,104	116,602
Amortization of deferred capital contributions	15,084	11,213	26,297	26,297
	15,884	99,317	115,201	153,712
Total revenue	$ 648,559	$ 354,690	$ 1,003,249	$ 951,642

The expenses related to these programs are as follows:

	2024			2023
	Every Child Belongs	**Group Centre**	**Total**	**Total**
Expenses				
Salaries	$ 515,035	$ 227,456	$ 742,491	$ 635,907
Benefits	94,602	41,800	136,402	114,962
Program	15,578	13,399	28,977	35,411
Food	-	3,685	3,685	3,506
Rent	6,721	34,152	40,873	38,000
Utilities	-	6,950	6,950	8,277
Insurance	4,342	3,060	7,402	6,254
Cleaning	-	5,381	5,381	8,554
Office	35,262	31,138	66,400	59,398
Professional fees	7,667	5,829	13,496	18,375
Staff development and training	2,105	380	2,485	2,187
Staff travel	1,663	26	1,689	1,190
Amortization	16,774	11,630	28,404	28,691
Total expenses	699,749	384,886	1,084,635	960,712
Surplus (deficit)	$ (51,190)	$ (30,196)	$ (81,386)	$ (9,070)

12. Commitments

As at March 31, 2024 the Centre is committed to disbursements for the office equipment as follows:

2025	$ 6,611
2026	6,611
2027	6,611
2028	6,611
2029	4,959
	$ 31,403

The Centre is implementing a new software which supports the Early Intervention program. The cost of the software is $65,964. The costs incurred to date of $12,952 have been recorded as a prepaid expense. When the software goes into service in fiscal 2025, the contracted cost, net of the HST rebate, will be capitalized. The Centre was awarded an implementation grant of $50,000 which was received subsequent to year-end.

13. Financial instruments

The Centre is exposed to various financial risks through transactions in financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's primary debtors are government agencies and parents who pay the school fees. Government agencies are considerably low risk and therefore the Centre is exposed to credit risk mainly in respect of collection of school fees.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to the risk mainly in respect to its accounts payable and accrued liabilities.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre's interest rate risk, which has not changed from the prior year, pertains to its investment in a fixed income security because the fair value will fluctuate due to changes in market interest rates.

14. Comparative figures

Certain figures presented for comparative purposes have been reclassified to conform with the current year's presentation.