

MILTON COMMUNITY RESOURCE CENTRE
FINANCIAL STATEMENTS
AS AT
DECEMBER 31, 2024

Contents	Page
Independent auditors' report	1 – 2
Balance sheet	3
Statement of changes in net assets	4
Statement of revenue and expenditure	5
Statement of cash flows	6
Notes to financial statements	7 – 14

INDEPENDENT AUDITORS' REPORT

To the Members
Milton Community Resource Centre

Opinion

We have audited the financial statements of Milton Community Resource Centre which comprise the balance sheet as at December 31, 2024, and the statements of changes in net assets, revenue and expenditure, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2024 and its results of 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 Auditors' 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 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 related 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.


Auditors' 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 auditors' 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:

INDEPENDENT AUDITORS' REPORT, continued

- 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 auditors' 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 auditors' 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.



Chartered Professional Accountants
Licensed Public Accountants
Oakville, Ontario
June 11, 2025

MILTON COMMUNITY RESOURCE CENTRE

Balance sheet

As at December 31, 2024

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	\$ 2,353,215	2,996,116
Short-term investments (Note 4)	1,297,061	745,173
Accounts receivable (Note 5)	195,674	249,645
Prepaid expenses	79,837	72,155
	3,925,787	4,063,089
Capital assets (Note 6)	187,536	184,539
	\$ 4,113,323	4,247,628
Liabilities and operating reserve		
Current liabilities		
Accounts payable and accrued liabilities	\$ 338,575	891,066
Government remittances payable	105,937	87,314
Unutilized grants and advance billings (Note 7)	877,154	915,819
	1,321,666	1,894,199
Long-term liabilities		
Unutilized capital grants (Note 8)	132,665	124,802
	1,454,331	2,019,001
Net assets		
Operating reserve	2,658,992	2,228,627
	\$ 4,113,323	4,247,628

Contingent liability (Note 9)

Approved by the Board

Director

Director

MILTON COMMUNITY RESOURCE CENTRE

Statement of changes in net assets

For the year ended December 31, 2024

	2024	2023
Operating reserve		
Balance, beginning of year	\$ 2,228,627	2,065,075
Operating surplus reserve for year	430,365	163,552
Balance, end of year	\$ 2,658,992	2,228,627

MILTON COMMUNITY RESOURCE CENTRE**Statement of revenue and expenditure****For the year ended December 31, 2024**

	2024	2023
Revenue		
Grants and subsidy		
Grants	\$ 6,981,121	5,692,059
Subsidies	1,283,080	1,169,900
Special purpose grants (Note 10)	545,334	491,340
Subtotal	8,809,535	7,353,299
Add utilized capital grants	58,975	54,932
Total grants and subsidy	8,868,510	7,408,231
Programs (Note 11)	4,496,694	4,116,065
Community agency rental	41,086	39,230
Donations	236	284
Fund raising	68,737	87,573
Interest income	165,762	144,081
	13,641,025	11,795,464
Expenditure		
Advertising and promotion	10,186	7,254
Amortization	70,530	95,492
Bank charges	73,610	62,683
Dues	14,960	7,449
Education	15,308	13,916
Fund raising	41,892	27,708
Insurance	51,738	45,914
Maintenance	209,967	186,665
Office and miscellaneous	69,045	48,381
Private Home Child Care Provider fees	281,224	190,850
Professional fees	98,532	25,581
Program supplies	612,530	523,567
Property tax	57,487	55,162
Rent	932,461	875,643
Salaries and benefits	8,740,754	7,541,607
Shared administration (Note 12)	1,241,819	1,172,436
Special purpose grants (Note 10)	545,334	491,340
Telephone	28,897	27,609
Utilities	28,087	26,755
Workshops	86,299	205,900
	13,210,660	11,631,912
Operating surplus reserve for year	\$ 430,365	163,552

MILTON COMMUNITY RESOURCE CENTRE**Statement of cash flows****For the year ended December 31, 2024**

	2024	2023
Cash flows from (used in) operating activities		
Operating surplus reserve for year	\$ 430,365	163,552
Adjustments for		
Amortization of capital assets	70,530	95,492
Amortization of unutilized capital grants	(58,975)	(54,932)
	441,920	204,112
Changes in non-cash working capital		
Decrease in accounts receivable	53,971	74,464
(Increase) decrease in prepaid expenses	(7,682)	9,391
Decrease in accounts payable and accrued liabilities	(552,491)	(213,838)
Increase in government remittances payable	18,623	5,822
(Decrease) increase in unutilized grants and advance billings	(38,665)	314,509
Cash flows (used in) from operating activities	(84,324)	394,460
Cash flows from (used in) investing activities		
Short-term investments	(551,888)	(532,599)
Acquisition of capital assets	(73,527)	(16,077)
Cash flows used in investing activities	(625,415)	(548,676)
Cash flows from (used in) financing activities		
Increase in unutilized capital grants	66,838	7,526
Cash flows from financing activities	66,838	7,526
Net decrease in cash and cash equivalents during year	(642,901)	(146,690)
Cash and cash equivalents, beginning of year	2,996,116	3,142,806
Cash and cash equivalents, end of year	\$ 2,353,215	2,996,116

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

1. Purpose of the operation

Milton Community Resource Centre ("MCRC") is a non-profit, charitable agency serving children, their parents, caregivers as well as professionals who work in the field of Early Childhood Education.

MCRC offers a wide range of early learning and child care programs, parental support programs as well as professional development and resources which reflect the needs within Milton and the broader Halton community.

MCRC strives to meet the diverse cultural, social and economic demands of families and professionals by offering a wide range of child care and related services.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies where alternatives are available:

a) Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

b) Basis of accounting

MCRC uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for capital assets are recognized as revenue over the useful life of the asset. 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.

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

2. Significant accounting policies – continued

c) Cash and cash equivalents

Cash and cash equivalents are defined as cash net of bank overdrafts and highly liquid investments, consisting primarily of term deposits and investment savings, cashable on demand.

d) Short-term investments

Short-term investments are recorded at fair market value.

e) Capital assets

Capital assets are recorded at acquisition cost. Amortization is recorded in the accounts at rates intended to write off the cost of the assets over their estimated useful life. In the year of acquisition, capital assets are amortized at one-half of the normal rate. Methods and rates used are:

Furniture and equipment
20% diminishing balance basis

Playscape
Straight-line basis over 5 years

Computer equipment
30% diminishing balance basis

Leasehold improvements
Straight-line basis over the remaining term
of the lease

f) Allocation of expenses

MCRC engages in central administration costs and program support. The costs of program support include expenditures that are directly related to providing the program. The costs of each program also include the costs of personnel and other central administration expenses that are common to the administration of MCRC and each of the programs.

MCRC allocates certain central administration expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Central administration expenses are allocated to shared administration on the following basis:

i) Salaries and benefits

- first allocated to programs where funding is fixed and limited to the respective funding agreement with the balance allocated proportionately on a percentage basis of revenues.

ii) Other expenses

- shared evenly over classes of revenue.

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

2. Significant accounting policies – continued

g) Revenue recognition

Grants, subsidies, restricted donations and programs revenues are deferred and recognized as revenue in the financial period in which the related expenses are incurred.

Unrestricted donations, fund raising and interest income are recognized as revenue when received.

Grants and subsidies received for capital expenditures are deferred and recognized as revenue over the useful life of the asset acquired.

Community agency rental is recognized as revenue when they are earned, in accordance with rental agreements in place.

h) Unutilized grants and advance billings

Unutilized grants consist of grants received for program expenses incurred after December 31, 2024, and any excess amounts being returned. Advance billings consist of funds collected for programs taking place after December 31, 2024.

i) Volunteer time

The value of volunteer time is not reflected in these financial statements since no objective basis is available to measure the value of such services. However, a substantial number of volunteers donated significant amounts of their time to MCRC's activities.

3. Financial instruments

a) Fair value

MCRC initially measures its financial assets and liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

3. Financial instruments – continued

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in underlying market factors. MCRC is exposed to interest rate risk and credit risk.

i) 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.

A portion of MCRC's cash and cash equivalents earn interest at variable rates. Consequently, there is a risk of cash flow exposure. However, there is a risk of fair value on this part of the assets.

MCRC's short-term investments earn interest at fixed rates. Consequently, the cash flow risks are not significant. However, there is a risk of fair value on this part of the asset.

ii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation.

MCRC is subject to credit risk. To mitigate this, MCRC actively manages and monitors its receivables. Bad debt experience has not been significant.

c) Liquidity risk

Liquidity risk is the risk that MCRC cannot meet a demand for cash or fund its obligations as they come due. Unless otherwise noted, MCRC is not subject to significant liquidity risk. MCRC manages liquidity risk by:

- maintaining access to a number of sources of funding which are sufficient to meet anticipated funding requirements.
- investing in liquid fixed income securities and cash equivalents that, if necessary, can be sold to generate cash flow.

4. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates which mature between March 10, 2025 and June 28, 2025. The interest rates vary from 5.10% to 5.25%.

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

5. Accounts receivable

	2024	2023
Accounts receivable	\$ 101,129	91,737
HST receivable	91,721	97,539
Ministry of Ontario	2,824	-
Halton Region CWELCC funding	-	60,369
	<u>\$ 195,674</u>	<u>249,645</u>

6. Capital assets

		2024		2023
		Cost	Accumulated amortization	Net
				Net
Furniture and equipment	\$	378,126	240,773	137,353
Computer equipment		152,861	120,363	32,498
Playscape		251,307	251,307	-
Leasehold improvements		237,190	219,505	17,685
	\$	1,019,484	831,948	187,536
				184,539

Amortization recorded during the year amounted to \$70,530 (2023 - \$95,492).

During the year, capital assets were acquired for cash at an aggregate cost of \$73,527 (2023 - \$16,077).

7. Unutilized grants and advanced billings

Unutilized grants and advanced billings are comprised of funding received in advance primarily related to The Regional Municipality of Halton's funding and advanced billings.

Changes in the unutilized grants and advanced billings are as follows:

	2024	2023
Balance, beginning of year	\$ 915,819	601,310
Amount received in the year	8,818,035	7,712,605
Revenue recognized in the year	(8,868,510)	(7,408,231)
Balance, before advanced billings	865,344	905,684
Advanced billings	11,810	10,135
Balance, end of year	<u>\$ 877,154</u>	<u>915,819</u>

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

8. Unutilized capital grants

Unutilized capital grants represent the unamortized amount of grants received for the purchase of capital assets. The amortization of unutilized capital grants is recorded as revenue in the statement of revenue and expenditure.

Changes in the unutilized capital grants are as follows:

	2024	2023
Balance, beginning of year	\$ 124,802	172,208
Amount received in the year	66,838	7,526
Revenue recognized in the year	(58,975)	(54,932)
Balance, end of year	<u>\$ 132,665</u>	<u>124,802</u>

The above unutilized capital grants are comprised of the following:

		2024		2023
	Cost	Accumulated amortization	Net	Net
Furniture and equipment	\$ 185,789	89,162	96,627	76,977
Computer equipment	57,306	31,945	25,361	7,213
Playscape	157,718	157,718	-	25,368
Leasehold improvements	68,003	57,326	10,677	15,244
	<u>\$ 468,816</u>	<u>336,151</u>	<u>132,665</u>	<u>124,802</u>

9. Contingent liability

Management is aware of possible claims against MCRC with respect to incidents that were discovered during a previous fiscal year. Management considers the probability of the realization of possible claims likely, however, the outcome cannot be reasonably determined at this time. Accordingly, no provision for loss has been reflected in the accounts of MCRC as management expects any loss related to possible claims to be covered by insurance.

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

10. Special purpose grants

Special purpose grants are made up of the following:

	2024	2023
Revenue		
Special purpose grants	\$ 545,334	491,340
Expenditure		
Furniture and equipment	144,023	-
Maintenance	-	19,078
Office and miscellaneous	170,823	57,637
PL Symposium Day	-	246,512
Program supplies	68,312	95,919
Rebates to parents	-	4,510
Salesforce development project	32,316	67,684
SNAP (Stop Now and Plan) partnership	129,860	-
	<u>545,334</u>	<u>491,340</u>
Operating surplus for year	\$ -	-

11. Programs

Programs are comprised of revenue received in regard to attending a child care program or other programs at one of eleven locations operated by MCRC.

	2024	2023
Infant, toddler and preschool	\$ 1,899,772	1,821,401
Before and after school	2,442,786	2,215,575
Family fun programs	138,406	63,748
Library revenue	15,730	15,341
	<u>\$ 4,496,694</u>	<u>4,116,065</u>

12. Allocation of expenses

An allocation of central administration costs has been made to shared administration as follows:

	2024	2023
Advertising and promotion	\$ 3,152	1,110
Education	3,681	4,080
Maintenance	16,438	23,521
Office and miscellaneous	183,404	169,094
Salaries and benefits	1,006,256	946,073
Telephone	28,888	28,558
	<u>\$ 1,241,819</u>	<u>1,172,436</u>

MILTON COMMUNITY RESOURCE CENTRE

Notes to financial statements

As at December 31, 2024

13. Operating lease commitments

Future minimum rental payments required under operating leases that have initial terms in excess of one year are:

2025	\$	899,133
2026		913,017
2027		913,017
2028		836,195
2029		682,549
Thereafter		<u>132,281</u>
	\$	<u>4,376,192</u>

14. Income taxes

MCRC is a registered charity and is therefore exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

15. Economic dependence

MCRC is dependent on funding from The Regional Municipality of Halton in order to carry out its operations.