

***Kilbride to Ferryland Family Resource Coalition***

**Financial statements**

March 31, 2020

*Kilbride to Ferryland Family Resource Coalition*  
**TABLE OF CONTENTS**  
**For the year ended March 31, 2020**

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	<b>Page</b>
<b>Independent auditor's report</b>	1
<b>Financial statements</b>	
Statement of Financial Position	1
Statement of Operations	2
Statement of Cash Flows	3
Notes to the Financial Statements	4 - 6
Statement of Revenues and Expenditures by Funding	7

## INDEPENDENT AUDITOR'S REPORT

To the Members of Kilbride to Ferryland Family Resource Coalition

### Opinion

We have audited the financial statements of Kilbride to Ferryland Family Resource Coalition, which comprise the statement of financial position as at March 31, 2020, and the statements of operations 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 organization as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

### 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 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 ASNPO, 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.

### 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.

## INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Mount Pearl, Newfoundland  
January 27, 2021



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**Feltham & Associates**  
**Chartered Professional Accountants**

***Kilbride to Ferryland Family Resource Coalition***  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2020**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current		
Cash and cash equivalents	\$ 119,958	\$ 137,152
Receivables	600	16,529
Prepaid expenses (Note 4)	26,368	21,741
HST receivable	60,011	31,546
	<b>\$ 206,937</b>	<b>\$ 206,968</b>
<b>LIABILITY</b>		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 32,145	\$ 57,447
<b>UNRESTRICTED NET ASSETS</b>		
Balance - beginning of the year	149,521	105,390
Excess of revenues over expenditures	25,271	44,131
Balance - end of the year	174,792	149,521
	<b>\$ 206,937</b>	<b>\$ 206,968</b>

**On behalf of the board**

\_\_\_\_\_ **Member**

*The accompanying notes form an integral part of this financial statement.*

***Kilbride to Ferryland Family Resource Coalition***  
**STATEMENT OF OPERATIONS**  
**For the year ended March 31, 2020**

	2020	2019
<b>REVENUES</b>		
Child care fees	\$ 402,553	\$ 410,466
Government funding	812,951	693,743
Project income	1,995	9,500
Interest income	78	25
	1,217,577	1,113,734
<b>EXPENDITURES</b>		
Accounting and legal	5,504	5,018
Advertising and promotion	-	825
Consulting fees	537	-
Equipment	1,391	5,056
Evaluation	619	-
Insurance	8,552	6,158
Interest and bank charges	2,982	2,616
Program materials	61,281	78,177
Office	918	499
Healthy Baby Club	5,032	6,583
Rent, telephone and utilities	190,595	189,608
Repairs and maintenance	160,643	-
Salaries and related benefits	748,275	762,484
Subscriptions, permits and licenses	1,130	105
Travel and transportation	4,847	12,474
	1,192,306	1,069,603
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 25,271</b>	<b>\$ 44,131</b>

*The accompanying notes form an integral part of this financial statement.*

***Kilbride to Ferryland Family Resource Coalition***  
**STATEMENT OF CASH FLOWS**  
**For the year ended March 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	\$ 25,271	\$ 44,131
Change in non-cash working capital items		
Decrease in receivables	15,929	1,760
Increase in prepaid expenses	(4,627)	(9,529)
Increase in HST receivable	(28,465)	(16,433)
(Decrease) increase in accounts payable and accrued liabilities	(25,302)	16,165
<b>(DECREASE) INCREASE IN CASH</b>	<b>(17,194)</b>	<b>36,094</b>
<b>CASH - BEGINNING OF THE YEAR</b>	<b>137,152</b>	<b>101,058</b>
<b>CASH - END OF THE YEAR</b>	<b>\$ 119,958</b>	<b>\$ 137,152</b>

*The accompanying notes form an integral part of this financial statement.*

***Kilbride to Ferryland Family Resource Coalition***  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2020**

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**1. NATURE OF OPERATIONS**

Kilbride to Ferryland Family Resource Coalition (the "Organization") was incorporated under the Corporations Act of Newfoundland and Labrador on September 20, 1999, and is a registered charity and is exempt from income taxes.

The Kilbride to Ferryland Family Resource Coalition was established to provide a wide range of needs-based family resource programming designed to promote self-help and mutual aid enhanced parent child relationships and healthy prenatal and child development in the communities from Kilbride to Ferryland.

The organization's Early Learning Child Care Initiative (ELCC) located in Bay Bulls was licensed by the Eastern Regional Health Authority to commence operations on August 15, 2011 and is funded by government grants and child care fees from parents. The organization currently operates five sites to deliver its programs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of accounting*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(b) *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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(c) *Financial instruments*

The organization's financial instruments consist of cash, term deposits, accounts receivable, bank indebtedness, accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(d) *Cash and cash equivalents*

The organization's policy is to present bank balances under cash and cash equivalents.

(e) *Capital assets*

Program assets are expensed in the year of acquisition consistent with the organization's budgetary process, and in accordance with government funding received for the assets acquired.



***Kilbride to Ferryland Family Resource Coalition***  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2020**

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2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) *Fund accounting deferred*

The organization follows the deferral method of accounting for contributions which includes grants and donations.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

(g) *Revenue recognition*

The organization recognizes child care revenues when they are earned, and specifically when the following conditions are met:

- child care services have been provided
- the amount is fixed and is reasonably assured

Government funding is recognized based on funding agreements in accordance with the fund accounting method. Other income including donations is recognized when received.

3. **FINANCIAL INSTRUMENTS**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the organization is a going concern and thus expects to fully repay the outstanding amounts.

(b) Credit risk

The organization does have credit risk in receivables \$600 (2019-\$16,529). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material

(c) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$32,145 (2019-\$57,447). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by ensuring that it maintains adequate funds with strict adherence to budget monitoring and makes payments to creditors as they become due. In the opinion of management the liquidity risk exposure to the organization low and is not material.

***Kilbride to Ferryland Family Resource Coalition***  
**NOTES TO THE FINANCIAL STATEMENTS**  
**March 31, 2020**

3. **FINANCIAL INSTRUMENTS, continued**

4. **PREPAID EXPENSES**

	<b>2020</b>	<b>2019</b>
Other prepaid expense	\$ 15,493	\$ 10,866
Rental security deposit (BBCCC)	10,875	10,875
	\$ 26,368	\$ 21,741

5. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2020</b>	<b>2019</b>
Accounts payable	\$ 19,008	\$ 37,998
Source deductions payable	13,136	19,449
	\$ 32,145	\$ 57,447

6. **SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the organization's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the organization's operations.

The extent of the impact of this outbreak and related containment measures on the organization's operations cannot be reliably estimated at this time.