

**THE GEORGE HULL CENTRE  
FOR CHILDREN AND FAMILIES  
FINANCIAL STATEMENTS  
MARCH 31, 2020**

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**

**MARCH 31, 2020**

**TABLE OF CONTENTS**

	<b>PAGE</b>
Independent Auditor's Report	1 - 2
Statement Of Financial Position	3
Statement Of Operations - Operating Fund	4
Statement Of Changes In Fund Balance - Operating Fund	5
Statement Of Operations And Changes In Fund Balance Etobicoke Brighter Futures Coalition Fund	6
Statement Of Operations And Changes In Fund Balance Preschool Speech And Language Services Fund	7
Statement Of Cash Flows	8
Notes To The Financial Statements	9 - 22

**INDEPENDENT AUDITOR'S REPORT**

To the Trustees of  
The George Hull Centre for Children and Families

***Opinion***

We have audited the financial statements of The George Hull Centre for Children and Families, (the Centre) which comprise the statement of financial position as at March 31, 2020 and the statements of operations and changes to fund balance and statement of cash flows for the year ending March 31, 2020, 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, 2020 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

***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 ASNFPPO 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  
**LICENSED PUBLIC ACCOUNTANTS**

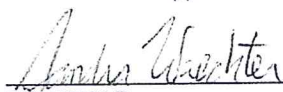
Etobicoke, Ontario  
July 13, 2020

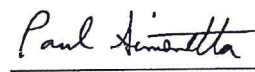


**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2020**

	Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2020	Total 2019
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash	\$ 679,787	\$ 69,062	\$ 500	\$ 749,349	\$ 524,040
Accounts receivable	2,087,955	20,253	166,945	2,255,153	382,225
Accounts receivable – related (Note 3)	32,680	-	-	32,680	1,149
Prepaid expenses and deposits	83,177	730	6,305	90,212	98,889
	<u>\$ 2,863,599</u>	<u>\$ 90,045</u>	<u>\$ 173,750</u>	<u>\$ 3,127,394</u>	<u>\$ 1,006,303</u>
<b>TANGIBLE CAPITAL ASSETS (Note 4)</b>	<u>\$ 2,846,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,846,412</u>	<u>\$ 3,839,899</u>
	<u>\$ 5,710,011</u>	<u>\$ 90,045</u>	<u>\$ 173,750</u>	<u>\$ 5,973,806</u>	<u>\$ 4,846,202</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 860,236	\$ 33,705	\$ 89,508	\$ 983,449	\$ 643,636
Government remittances payable	29,197	-	-	29,197	30,291
Deferred contributions (Note 6)	2,172,730	3,933	68,405	2,245,068	575,196
Deferred contributions related to capital assets (Note 7)	123,347	-	-	123,347	129,295
	<u>\$ 3,185,510</u>	<u>\$ 37,638</u>	<u>\$ 157,913</u>	<u>\$ 3,381,061</u>	<u>\$ 1,378,418</u>
<b>LONG-TERM LIABILITIES</b>					
Pension payable - net of current portion (Note 8)	\$ 3,231,618	\$ -	\$ -	\$ 3,231,618	\$ 2,734,213
Deferred contributions related to capital assets - net of current portion (Note 7)	2,014,850	-	-	2,014,850	2,472,579
	<u>\$ 5,246,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,246,468</u>	<u>\$ 5,206,792</u>
	<u>\$ 8,431,978</u>	<u>\$ 37,638</u>	<u>\$ 157,913</u>	<u>\$ 8,627,529</u>	<u>\$ 6,585,210</u>
<b>NET ASSETS</b>					
<b>FUND BALANCES</b>					
Unrestricted	\$(3,299,967)	\$ 13,341	\$ -	\$(3,286,626)	\$(3,018,387)
Externally restricted (Note 9)	578,000	39,066	15,837	632,903	1,279,379
	<u>\$(2,721,967)</u>	<u>\$ 52,407</u>	<u>\$ 15,837</u>	<u>\$(2,653,723)</u>	<u>\$(1,739,008)</u>
	<u>\$ 5,710,011</u>	<u>\$ 90,045</u>	<u>\$ 173,750</u>	<u>\$ 5,973,806</u>	<u>\$ 4,846,202</u>

Approved on behalf of the Board of Directors

  
 \_\_\_\_\_  
 DIRECTOR

  
 \_\_\_\_\_  
 DIRECTOR

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**STATEMENT OF OPERATIONS**  
**OPERATING FUND**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
<b>REVENUE</b>		
Government funding	\$ 7,960,452	\$ 7,952,445
Other funding and income	418,999	408,011
Expense recoveries	8,575	7,630
Donations, net (Note 11)	<u>357,680</u>	<u>401,149</u>
	<u>\$ 8,745,706</u>	<u>\$ 8,769,235</u>
<b>EXPENSES</b>		
Salaries and wages	\$ 5,201,493	\$ 5,410,796
Employee benefits	1,515,684	1,363,980
Occupancy costs	615,598	505,455
Professional services - client related	365,333	380,900
Professional services - non-client related	38,293	33,903
Client expenses	137,297	203,083
Stationery and office supplies	72,624	33,665
Program supplies	7,436	19,727
Communication	36,758	40,728
Advertising and promotion	37,443	37,882
Insurance	52,451	50,176
Travel expenses	45,850	50,416
Equipment rental	18,193	14,538
Staff development	66,798	65,036
Library	20,673	4,613
Repairs and maintenance	290,043	321,022
Vehicle expenses	12,682	33,344
General	34,976	27,361
Amortization	<u>175,480</u>	<u>172,505</u>
	<u>\$ 8,745,105</u>	<u>\$ 8,769,130</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 601</u>	<u>\$ 105</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**STATEMENT OF CHANGES IN FUND BALANCE**  
**OPERATING FUND**  
**FOR THE YEAR ENDED MARCH 31, 2020**

	Unrestricted	Restricted	2020	2019
Balance, beginning of the year	\$(3,038,488)	\$ 1,178,000	\$(1,860,488)	\$(1,774,019)
Excess of revenue over expenses	601	-	601	105
Disposition of property (Note 4)	-	( 600,000)	( 600,000)	-
Pension liability re-measurement (loss) gain	<u>( 262,080)</u>	<u>-</u>	<u>( 262,080)</u>	<u>( 86,574)</u>
Balance, end of the year	<u><u>\$(3,299,967)</u></u>	<u><u>\$ 578,000</u></u>	<u><u>\$(2,721,967)</u></u>	<u><u>\$(1,860,488)</u></u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
ETOBICOKE BRIGHTER FUTURES COALITION FUND  
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
<b>REVENUE</b>		
Health Canada CAPC program	\$ 243,154	\$ 243,154
United Way Success by Six	77,110	77,110
Dad Central Ontario	15,092	33,869
Other	<u>7,850</u>	<u>50</u>
	<u>\$ 343,206</u>	<u>\$ 354,183</u>
<b>EXPENSES</b>		
Personnel	\$ 294,220	\$ 297,025
Travel	4,170	5,712
Materials and office supplies	33,929	29,199
Staff development	5,443	728
Rent	<u>10,045</u>	<u>8,950</u>
	<u>\$ 347,807</u>	<u>\$ 341,614</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ ( 4,601)</b>	<b>\$ 12,569</b>
<b>FUND BALANCE - beginning of year</b>	<u>57,008</u>	<u>44,439</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 52,407</u>	<u>\$ 57,008</u>



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES  
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE  
PRESCHOOL SPEECH AND LANGUAGE SERVICES FUND  
FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
<b>REVENUE</b>		
Toronto Public Health	\$ 1,512,251	\$ 1,419,755
Other	<u>13,363</u>	<u>48,751</u>
	<u>\$ 1,525,614</u>	<u>\$ 1,468,506</u>
<b>EXPENSES</b>		
Salaries and wages	\$ 981,029	\$ 943,155
Employee benefits	229,158	209,525
Contract staff	106,423	72,705
Audit	6,000	6,000
Program supplies	1,063	3,016
Professional development	1,699	1,005
Travel, food and accommodations	2,452	6,640
Insurance	8,000	8,000
Office supplies	21,224	21,559
Furniture and equipment	17,269	30,375
Rent	<u>199,932</u>	<u>165,630</u>
	<u>\$ 1,574,249</u>	<u>\$ 1,467,610</u>
<b>(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$( 48,635)</b>	<b>\$ 896</b>
<b>FUND BALANCE - beginning of year</b>	<u>64,472</u>	<u>63,576</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 15,837</u>	<u>\$ 64,472</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

		Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2020	Total 2019
<b>CASH FLOWS FROM OPERATIONS</b>						
(Deficiency) Excess of revenue over expenditures	\$	601	\$( 4,601)	\$( 48,635)	\$( 52,635)	\$ 13,570
Items not requiring an outlay of cash:						
Amortization		175,480	-	-	175,480	172,505
Gain on disposition of restricted property		( 607,526)	-	-	( 607,526)	-
Net benefit plan expense		409,432	-	-	409,432	382,218
		<u>\$( 22,013)</u>	<u>\$( 4,601)</u>	<u>\$( 48,635)</u>	<u>\$( 75,249)</u>	<u>\$ 568,293</u>
Changes in non-cash working capital (A)		<u>\$( 263,962)</u>	<u>210</u>	<u>( 87,116)</u>	<u>( 350,868)</u>	<u>( 201,854)</u>
		<u>\$( 285,975)</u>	<u>\$( 4,391)</u>	<u>\$( 135,751)</u>	<u>\$( 426,117)</u>	<u>\$ 366,439</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Disposition of tangible capital assets	\$	1,750,000	-	-	1,750,000	\$ -
Purchase of tangible capital assets		<u>( 324,467)</u>	<u>-</u>	<u>-</u>	<u>( 324,467)</u>	<u>( 472,186)</u>
		<u>\$ 1,425,533</u>	<u>-</u>	<u>-</u>	<u>\$ 1,425,533</u>	<u>\$( 472,186)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Pension payable	\$	87,973	-	-	87,973	\$( 40,169)
Pension liability re-measurement loss		<u>( 262,080)</u>	<u>-</u>	<u>-</u>	<u>( 262,080)</u>	<u>( 86,574)</u>
Deducted from net assets for disposition of land		<u>\$( 774,107)</u>	<u>-</u>	<u>-</u>	<u>\$( 774,107)</u>	<u>\$( 126,743)</u>
		<u>\$ 365,451</u>	<u>\$( 4,391)</u>	<u>\$( 135,751)</u>	<u>\$ 225,309</u>	<u>\$( 232,490)</u>
<b>INCREASE (DECREASE) IN CASH</b>		<u>\$ 314,336</u>	<u>73,453</u>	<u>136,251</u>	<u>524,040</u>	<u>756,530</u>
<b>CASH - beginning of year</b>		<u>\$ 679,787</u>	<u>\$ 69,062</u>	<u>\$ 500</u>	<u>\$ 749,349</u>	<u>\$ 524,040</u>
<b>CASH - end of year</b>		<u>\$ 994,123</u>	<u>\$ 138,115</u>	<u>\$ 1,000</u>	<u>\$ 1,273,489</u>	<u>\$ 1,278,570</u>
<b>(A) CHANGES IN NON-CASH WORKING CAPITAL</b>						
Accounts receivable	\$(1,714,301)	8,318	\$( 166,945)	\$(1,872,928)	\$( 186,689)	
Accounts receivable (payable) - related	( 31,531)	-	-	( 31,531)	( 262,149)	
Prepaid expenses and deposits	4,407	( 730)	5,000	8,677	21,061	
Accounts payable and accrued liabilities	272,362	( 7,378)	74,829	339,813	55,525	
Government remittances payable	( 1,094)	-	-	( 1,094)	( 65,967)	
Deferred contributions	1,669,872	-	-	1,669,872	90,609	
Deferred contributions related to capital assets	<u>( 463,677)</u>	<u>-</u>	<u>-</u>	<u>( 463,677)</u>	<u>145,756</u>	
	<u>\$( 263,962)</u>	<u>\$ 210</u>	<u>\$( 87,116)</u>	<u>\$( 350,868)</u>	<u>\$( 201,854)</u>	

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 1    SIGNIFICANT ACCOUNTING POLICIES**

The George Hull Centre for Children and Families (the "Centre") is a comprehensive children's mental health centre, serving children from birth through age 18, and their families. The Centre is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly, there is no provision for corporate income taxes as the Centre is exempt from paying tax under Sec. 149(1)(l) of The Income Tax Act.

The Centre administers funds on behalf of the Etobicoke Brighter Futures Coalition. The Coalition is composed of 30 agencies, neighbourhood centres, health centres, community groups and parents who have come together to develop and foster a collaborative network of programs and support for children to the age of six considered to be at risk.

The Centre also acts as service provider for Toronto Preschool Speech and Language Services as lead agency for the West Service Area. Toronto Preschool Speech and Language Services serves the speech, language and communication needs of young children from birth until entry to Junior Kindergarten, through community-based assessment and intervention, parent training and community capacity building.

In accounting for its activity during the period, the Centre adhered to the following accounting policies:

**Revenue Recognition**

The Centre follows the deferral method of accounting for contributions. 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 contributions are deferred until related expenses are recognized.

**Fund Accounting**

Revenue and expenses related to program delivery and administration activities are reported in the Operating Fund.

Revenue earned and expenses incurred on behalf of the Etobicoke Brighter Futures Coalition are reported in Brighter Futures Coalition Fund.

Revenue earned and expenses incurred on behalf of the Speech and Language Coalition are reported in Speech and Language Coalition Fund.



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 1    SIGNIFICANT ACCOUNTING POLICIES - continued**

**Financial Instruments**

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

**Tangible Capital Assets**

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Furniture and fixtures	5 years
Computer equipment	3 years
Computer software	5 years
Leasehold improvements	5 - 20 years

**Impairment of Long-lived Assets**

The Centre monitors the recoverability of long-lived assets, including land, buildings, furniture and fixtures, computer equipment and software and leasehold improvements. In the event that facts and circumstances indicate that the Centre's long-lived assets may be impaired, an evaluation of recoverability is performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value is required. The Centre has determined that there were no impairments of long-lived assets at March 31, 2020.

**Management Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

**Employee Future Benefits**

The Centre maintains a defined benefit pension plan for certain employees. The value of accrued benefits and changes therein during the year are based on an actuarial valuation prepared by an independent firm of actuaries. The cost of defined pension benefits is charged to earnings using the projected benefit method prorated on service and management's best estimate, as at the valuation date.



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 2 FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. As at March 31, 2020, there were no significant differences between their carrying values and their estimated market values due to their immediate or short-term nature.

The Centre's financial instruments expose the Centre to certain risks. These risks are defined as follows:

**Credit risk**

Credit risk is the risk of loss arising from the failure of a counter party to fully honour its financial obligations with the Centre.

It is the opinion of management that the Centre is not exposed to any significant credit risk.

**Liquidity risk**

Liquidity risk is the risk of not being able to meet the Centre's cost requirements in a timely and cost-effective manner.

Management considers liquidity risk to be minimal or not significant.

**NOTE 3 ACCOUNTS RECEIVABLE (PAYABLE) - RELATED**

The balance of \$32,680 (2019 - \$1,149) represents donations receivable net of advances made by The George Hull Centre Foundation.

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 4 TANGIBLE CAPITAL ASSETS**

The Centre's tangible capital assets as at March 31, 2020 were comprised of:

	Cost	Accumulated Amortization	2020 Net	2019 Net
Land	\$ 578,000	\$ -	\$ 578,000	\$ 1,178,000
Buildings	571,724	92,908	478,816	1,011,920
Furniture and fixtures	194,388	159,776	34,612	38,654
Computer equipment	194,815	124,137	70,678	75,863
Computer software	22,035	11,018	11,017	15,424
Leasehold improvements	<u>2,263,023</u>	<u>589,734</u>	<u>1,673,289</u>	<u>1,520,038</u>
	<u>\$ 3,823,985</u>	<u>\$ 977,573</u>	<u>\$ 2,846,412</u>	<u>\$ 3,839,899</u>

The Centre's land and building consist of a residential property housing the operations of Libby's Place. Although title is registered in the name of the Centre, the property was purchased with funding from the Ministry of Children and Youth Services and the province retains control over any change of use, alteration, or disposition of this property.

On March 31, 2020, The Centre sold the residential property housing the operations of the Boys' House (181 Dowling Street). Proceeds of \$1,750,000 were received on the sale of this property and are accounted for as follows:

Proceeds on sale	\$ 1,750,000
Carrying value - land	( 600,000)
- building	( 542,474)
Cost of disposition	<u>( 9,993)</u>
Gain on sale	\$ 597,533
Unrecognized deferred contributions related to capital assets	511,292
Decrease in net assets - (land portion)	<u>600,000</u>
Deferred contributions	<u>\$ 1,708,825</u>

The Province of Ontario has always retained control over any change in use, alteration or disposition of the property, as a result, the Centre was required to obtain approval from the Province for the use of these funds. Approval was provided and the gain of \$597,533, the unrecognized deferred contributions related to capital assets of \$511,292 and the decrease in net assets (land portion) \$600,000 were all deferred for future capital asset purchase.

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 5 THE GEORGE HULL CENTRE FOUNDATION**

The Centre controls The George Hull Centre Foundation (the "Foundation"). The Foundation was primarily established to raise funds for the use of the Centre. The Foundation is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered Charity under the Income Tax Act.

The Foundation has not been consolidated with the Centre's financial statements. Financial statements of the Foundation are available on request. A financial summary of the Foundation for the years ended March 31, 2020 and 2019 is as follows:

	2020	2019
<b>Financial position</b>		
Total assets	<u>\$ 2,790,690</u>	<u>\$ 2,322,385</u>
Total liabilities	\$ 382,966	\$ 502,701
Total net assets	<u>2,407,724</u>	<u>1,819,684</u>
	<u>\$ 2,790,690</u>	<u>\$ 2,322,385</u>
<b>Results of operations</b>		
Total revenue	\$ 1,308,608	\$ 906,799
Total expenditures	<u>720,568</u>	<u>723,660</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 588,040</u>	<u>\$ 183,139</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 6 DEFERRED CONTRIBUTIONS – OPERATING FUND**

Deferred contributions represent funds received that are related to subsequent periods. The change in the deferred contributions balance for the year is as follows:

	<b>2020</b>	<b>2019</b>
Beginning balance	\$ <u>502,858</u>	\$ <u>416,182</u>
Add: Amounts received for the following year		
Ministry funds held for property purchase (Note 4)	\$ 1,708,825	\$ -
EarlyON Child & Family Centres	287,983	347,019
Special Needs Resourcing	66,130	50,250
Family Group Conferencing - CCAS conference	7,941	-
Family Group Conferencing - Provincial Project	-	17,095
Family Group Conferencing - Training Resource	<u>-</u>	<u>150</u>
	<u>\$ 2,070,879</u>	<u>\$ 414,514</u>
Deduct: Amounts recognized as revenue in current year for		
EarlyON Child & Family Centres	\$( 341,964)	\$( 274,113)
Special Needs Resourcing	( 56,295)	( 53,375)
Family Group Conferencing - Training Resource	( 2,498)	( 150)
Family Group Conferencing - Provincial Project	<u>( 250)</u>	<u>( 200)</u>
	<u>\$( 401,007)</u>	<u>\$( 327,838)</u>
Ending balance	<u>\$ 2,172,730</u>	<u>\$ 502,858</u>
Deferred balance comprises the following:		
Ministry funds held for property purchase	\$ 1,708,825	\$ -
EarlyON Child & Family Centres	330,834	384,815
Special Needs Resourcing	61,786	51,951
Family Group Conferencing - Training Resource	37,599	40,097
Family Group Conferencing - Provincial Project	25,745	25,995
Family Group Conferencing - CCAS conference	<u>7,941</u>	<u>-</u>
	<u>\$ 2,172,730</u>	<u>\$ 502,858</u>



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS**

The change in the deferred contributions balance related to capital assets for the period is as follows:

	2020	2019
Beginning balance	<u>\$ 2,601,874</u>	<u>\$ 2,456,118</u>
Add: Contributions received		
Leasehold improvements - Ronson Drive	\$ 77,705	\$ -
Leasehold improvements - East Mall	56,126	216,350
Leasehold inducements - East Mall	41,647	31,805
Leasehold improvements - Queens Plate	<u>-</u>	<u>37,500</u>
	<u>\$ 175,478</u>	<u>\$ 285,655</u>
Deduct: Amounts recognized in current year		
Amortization taken - Boys' House	\$( 7,519)	\$( 15,038)
Amortization taken - East Mall	( 76,356)	( 68,890)
Leasehold inducements deducted against rent expense - East Mall	( 17,857)	( 15,284)
Amortization taken - Libby's Place	( 14,293)	( 14,293)
Amortization taken - Ronson Drive	( 7,127)	-
Amortization taken - Queens Plate	( 3,750)	( 3,125)
Amortization taken - West Mall	( 961)	( 11,535)
Leasehold inducements - West Mall	<u>-</u>	<u>( 11,734)</u>
	<u>\$( 127,863)</u>	<u>\$( 139,899)</u>
Deduct:		
Unrecognized balance for Boys' House reallocated to deferred revenue (Note 4)	<u>\$( 511,292)</u>	<u>\$ -</u>
Ending balance	<u>\$ 2,138,197</u>	<u>\$ 2,601,874</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued**

The ending balance is comprised of:

	<b>2020</b>	<b>2019</b>
Leasehold improvements - East Mall	\$ 1,250,450	\$ 1,270,680
Libby's Place building purchase	478,816	493,109
Leasehold inducements - East Mall	307,728	283,938
Leasehold improvements - Ronson Drive	70,578	-
Leasehold improvements - Queens Plate	30,625	34,375
Boys' House building purchase	-	518,811
Leasehold improvements - West Mall	-	961
	<u>                    </u>	<u>                    </u>
Ending balance	\$ 2,138,197	\$ 2,601,874
Less: current portion	<u>( 123,347)</u>	<u>( 129,295)</u>
	<u>\$ 2,014,850</u>	<u>\$ 2,472,579</u>

Deferred contributions related to capital assets as listed above are comprised of the following:

- amounts received for the purchase of a building to house the operations of Boys' House, to be recognized as revenue to the same extent that amortization of the building was expensed over what was initially a forty year amortization period; with the sale of Boys' House in the year, the remaining balance became repayable to the Ministry but with permission of the Ministry was redirected for the future purchase of another property;
- amounts received for the purchase of a building to house the operations of Libby's Place, to be recognized as revenue to the same extent that amortization of the building is expensed over the forty-year amortization period;
- amounts received towards the completion of leasehold improvements made to office space on The East Mall, for which the lease commenced January 1, 2014 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the lease currently extended through 2027; additional amounts were received in the prior year and the current year for amendments to the lease as additional space was occupied;
- leasehold inducements received under the lease for office space on The East Mall commencing January 1, 2014 to be amortized over the fifteen-year term of the lease;

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued**

- amounts received towards the completion of leasehold improvements made to office space on Ronson Drive, for which the lease commenced September 1, 2019 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the ten year lease;
- amounts received towards the completion of leasehold improvements made to office space on Queens Plate Drive, for which the lease commenced June 1, 2019 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the ten year lease; and
- amounts received towards the completion of leasehold improvements made to office space on The West Mall, for which the lease commenced July 1, 2014 to be recognized as revenue to the same extent that amortization of the leasehold improvements was expensed over the remaining term of what was originally a sixty-three month lease; early termination of this lease led to the term being adjusted to end April 30 of the current year.

**NOTE 8 PENSION PLAN**

The Centre maintains a defined benefit final average earnings pension plan for employees hired on or before September 6, 2010. Persons who become employed after September 6, 2010 are not eligible to join the plan. The Centre has implemented a RRSP contributory type plan for those new employees. The Centre measures the fair value of plan assets and accrued benefit obligation for accounting purposes as of March 31<sup>st</sup> of each year. The most recent valuation for funding purposes was as of December 31, 2017 and the next required valuation is as of December 31, 2020.

The plan assets are currently invested 100% in Canadian market-based balanced funds.

	2020	2019
<b>Significant assumptions</b>		
Discount rate		
At beginning of period	3.45%	3.50%
At end of period	3.75%	3.45%
Expected long-term rate of return on plan assets		
At beginning of period	3.45%	3.50%
At end of period	3.75%	3.45%



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 8 PENSION PLAN - continued**

	2020	2019
<b>Status</b>		
Plan assets at fair value	\$14,205,007	\$15,057,832
Accrued benefit obligation	<u>17,436,625</u>	<u>17,792,045</u>
Funded status - plan deficit	\$( 3,231,618)	\$( 2,734,213)
Less: current portion	<u>-</u>	<u>-</u>
	<u><b>\$( 3,231,618)</b></u>	<u><b>\$( 2,734,213)</b></u>
<b>Loss (gain) - benefit obligation</b>		
Benefit obligation at beginning of year	\$17,792,045	\$16,802,221
Employee current service contributions	225,519	235,418
Employer current service cost	312,711	295,538
Benefit payments	( 489,948)	( 490,504)
Interest cost	<u>614,658</u>	<u>588,786</u>
Expected value	\$18,454,985	\$17,431,459
Actual value	<u>17,436,625</u>	<u>17,792,045</u>
(Gain) Loss	<u><b>\$( 1,018,360)</b></u>	<u><b>\$ 360,586</b></u>
<b>(Gain) Loss - plan assets</b>		
Opening assets at fair value	\$15,057,832	\$14,410,054
Employee current service contributions	225,519	235,418
Employer contribution	174,107	126,743
Benefit payments	( 489,948)	( 490,504)
Expected return on plan assets	<u>517,937</u>	<u>502,106</u>
Expected value	\$15,485,447	\$14,783,817
Actual value	<u>14,205,007</u>	<u>15,057,832</u>
Loss (Gain)	<u><b>\$ 1,280,440</b></u>	<u><b>\$( 274,015)</b></u>
<b>Net benefit plan expense</b>		
Employer current service cost	\$ 312,711	\$ 295,538
Interest cost	614,658	588,786
Expected return on plan assets	<u>( 517,937)</u>	<u>( 502,106)</u>
Expense	<u><b>\$ 409,432</b></u>	<u><b>\$ 382,218</b></u>



**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 8 PENSION PLAN - continued**

	2020	2019
<b>Accrued benefit asset (liability)</b>		
Opening balance	\$( 2,734,213)	\$( 2,392,164)
Net benefit plan expense	( 409,432)	( 382,218)
Employer contributions	174,107	126,743
Re-measurement (loss) gain	<u>( 262,080)</u>	<u>( 86,574)</u>
Closing balance	<u><u>\$( 3,231,618)</u></u>	<u><u>\$( 2,734,213)</u></u>

Based on the actuarial valuation of December 31, 2017, regular payments in respect of annual employer service contributions plus annual administration expense are estimated at \$197,770 for 2020. Employee contributions are estimated at \$262,720 for 2020.

**NOTE 9 RESTRICTED CONTRIBUTIONS – OPERATING FUND**

Restricted contributions were received in fiscal 2014 from the Ministry of Children and Youth Services for the purchase of residential properties to house the operations of Boys' House and Libby's Place. The portion allocated to the purchased land was recognized as a direct increase in the restricted fund balance.

	2020	2019
Opening balance	\$ 1,178,000	\$ 1,178,000
Reversal upon disposition of property (Note 4)	( 600,000)	-
Deferred contributions recognized as revenue in the period	21,812	29,331
Amortization expense	<u>( 21,812)</u>	<u>( 29,331)</u>
Closing balance	<u><u>\$ 578,000</u></u>	<u><u>\$ 1,178,000</u></u>

With the sale of the Boys' House property in the year, the net assets attributable to the land purchased with that property have been reversed and added to the value that would be repayable to the province if permission had not been granted to purchase another property for another program of the Centre, which are reported as deferred contributions, as per Note 6, pending that purchase.

Although title to properties purchased with provincial funding is registered in the name of the Centre, the province retains control over any change of use, alteration or disposition of said properties.

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 10 COMMITMENTS**

The Centre has entered into leases for premises situated at the following locations: 81 The East Mall, expiring December 31, 2037; 135 Queen's Plate Drive expiring May 31, 2028; 1904 Davenport Road, expiring August 31, 2020; and 200 Ronson Drive, expiring April 30, 2029. Minimum payments under these agreements are:

Year ending	Amount
March 31, 2021	
2022	\$ 661,523
2023	657,097
2024	658,010
2025	660,649
	<u>579,015</u>
Remainder of term	\$ 3,216,294
	<u>7,915,129</u>
	<u>\$11,131,423</u>

Above amounts are comprised of base annual rents plus estimated operating expenses.

**NOTE 11 RELATED PARTY TRANSACTIONS**

Donations reported in the statement of operations are net donations in the amount of \$357,680 (2019 - \$401,149) from The George Hull Centre Foundation.

The George Hull Centre for Children and Families controls The George Hull Centre Foundation. The objective of the George Hull Centre Foundation is to raise funds to support The George Hull Centre for Children and Families.

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 12 CHILDREN'S SERVICES OPERATIONS EFFECTIVENESS - WEST DISTRICT**

**EarlyON Child and Family Centres**

Effective January 1, 2018, the Ontario Early Years program and the Highfield Community Enrichment program were rolled into the EarlyON Child and Family Centres. The following comprises the operations of the EarlyON Child and Family Centre, Agency ID 8817, to be reported to Children's Services Operations Effectiveness - West District.

	<b>2020</b>	<b>2019</b>
<b>Funding</b>		
City of Toronto	\$ 1,199,117	\$ 1,141,435
Other	<u>73,523</u>	<u>856</u>
	<u>\$ 1,272,640</u>	<u>\$ 1,142,291</u>
<b>Expenses</b>		
Wages and benefits	\$ 958,829	\$ 982,215
Rent	124,886	78,906
Client services	27,654	39,023
Program supplies	337	3,162
Communication	5,038	6,407
Office	41,164	4,653
Repairs and maintenance	44,695	13,487
Travel	5,509	6,896
Staff development	<u>2,873</u>	<u>1,182</u>
	<u>\$ 1,210,985</u>	<u>\$ 1,135,931</u>
<b>Net surplus</b>	<u>\$ 61,655</u>	<u>\$ 6,360</u>

**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2020**

**NOTE 12 CHILDREN'S SERVICES OPERATIONS EFFECTIVENESS - WEST DISTRICT - continued**

**Special Needs Resourcing**

The following comprises the operations of the Special Needs Resourcing Department, Agency ID 6406, site location 11748, to be reported to Children's Services Operations Effectiveness - West District.

	<b>2020</b>	<b>2019</b>
<b>Funding</b>	\$ 197,060	\$ 197,875
<b>Expenses</b>		
Wages and benefits	\$ 171,448	\$ 171,373
Rent	4,544	4,354
Professional services:		
Client related	73	257
Non-client related	1,195	1,149
Client services	4,693	7,485
Office supplies	703	-
Communication	2,127	2,696
Insurance	700	690
Travel	4,391	6,660
Staff development	766	915
Repair and maintenance	3,309	3,006
Library	-	2,562
	<u>\$ 193,949</u>	<u>\$ 201,147</u>
<b>Net surplus (deficiency)</b>	<u>\$ 3,111</u>	<u>\$ ( 3,272)</u>

**NOTE 13 SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This event has led to the shutdown of a large part of the economy and suspending the availability of non-essential services. The Centre has had to modify or temporarily suspend the delivery of some services. There is uncertainty as to how long the COVID-19 pandemic will go on for and the impact and consequences it may have on the operations of the Centre.