

**THE GEORGE HULL CENTRE
FOR CHILDREN AND FAMILIES
FINANCIAL STATEMENTS
MARCH 31, 2021**

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES

MARCH 31, 2021

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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, 2021 and the statements of operations and changes to fund balance and statement of cash flows for the year ending March 31, 2021, 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, 2021 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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 ASNFPO 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.

Peters Brown LLP

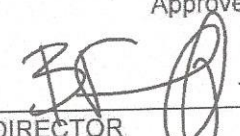
LICENSED PUBLIC ACCOUNTANTS

Etobicoke, Ontario
June 17, 2021

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2021	Total 2020
ASSETS					
CURRENT ASSETS					
Cash	\$ 891,617	\$ 131,898	\$ 500	\$ 1,024,015	\$ 749,349
Accounts receivable	212,254	20,227	166,885	399,366	2,255,153
Accounts receivable – related (Note 3)	376,701	-	-	376,701	32,680
Prepaid expenses and deposits	90,299	18,534	6,305	115,138	90,212
	<u>\$ 1,570,871</u>	<u>\$ 170,659</u>	<u>\$ 173,690</u>	<u>\$ 1,915,220</u>	<u>\$ 3,127,394</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>\$ 4,263,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,263,956</u>	<u>\$ 2,846,412</u>
	<u>\$ 5,834,827</u>	<u>\$ 170,659</u>	<u>\$ 173,690</u>	<u>\$ 6,179,176</u>	<u>\$ 5,973,806</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,099,674	\$ 79,127	\$ 85,645	\$ 1,264,446	\$ 983,449
Government remittances payable	35,522	-	-	35,522	29,197
Deferred contributions (Note 6)	545,737	32,496	72,207	650,440	2,245,068
Deferred contributions related to capital assets (Note 7)	135,531	-	-	135,531	123,347
	<u>\$ 1,816,464</u>	<u>\$ 111,623</u>	<u>\$ 157,852</u>	<u>\$ 2,085,939</u>	<u>\$ 3,381,061</u>
LONG-TERM LIABILITIES					
Pension payable (Note 8)	\$ 1,912,857	\$ -	\$ -	\$ 1,912,857	\$ 3,231,618
Deferred contributions related to capital assets - net of current portion (Note 7)	2,735,662	-	-	2,735,662	2,014,850
	<u>\$ 4,648,519</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,648,519</u>	<u>\$ 5,246,468</u>
	<u>\$ 6,464,983</u>	<u>\$ 111,623</u>	<u>\$ 157,852</u>	<u>\$ 6,734,458</u>	<u>\$ 8,627,529</u>
NET ASSETS					
FUND BALANCES					
Unrestricted	\$(1,883,156)	\$ 23,904	\$ -	\$(1,859,252)	\$(3,286,626)
Externally restricted (Note 9)	1,253,000	35,132	15,838	1,303,970	632,903
	<u>\$(630,156)</u>	<u>\$ 59,036</u>	<u>\$ 15,838</u>	<u>\$(555,282)</u>	<u>\$(2,653,723)</u>
	<u>\$ 5,834,827</u>	<u>\$ 170,659</u>	<u>\$ 173,690</u>	<u>\$ 6,179,176</u>	<u>\$ 5,973,806</u>

Approved on behalf of the Board of Directors



 DIRECTOR
 Brad Fedosoff, Board Chair



 DIRECTOR

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS
OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUE		
Government funding	\$ 8,032,048	\$ 7,960,452
Other funding and income	954,596	418,999
Expense recoveries	4,634	8,575
Donations, net (Note 11)	<u>376,701</u>	<u>357,680</u>
	<u>\$ 9,367,979</u>	<u>\$ 8,745,706</u>
EXPENSES		
Salaries and wages	\$ 5,565,561	\$ 5,201,493
Employee benefits	1,411,367	1,515,684
Occupancy costs	674,581	615,598
Professional services - client related	247,332	365,333
Professional services - non-client related	46,085	38,293
Client expenses	35,573	137,297
Stationery and office supplies	107,786	72,624
Program supplies	8,025	7,436
Communication	35,861	36,758
Advertising and promotion	37,465	37,443
Insurance	55,555	52,451
Travel expenses	7,345	45,850
Equipment rental	8,144	18,193
Staff development	77,130	87,471
Repairs and maintenance	285,476	290,043
Vehicle expenses	13,325	12,682
General	56,518	34,976
Amortization	<u>195,038</u>	<u>175,480</u>
	<u>\$ 8,868,167</u>	<u>\$ 8,745,105</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 499,812</u>	<u>\$ 601</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CHANGES IN FUND BALANCE
OPERATING FUND
FOR THE YEAR ENDED MARCH 31, 2021

	Unrestricted	Restricted	2021	2020
Balance, beginning of the year	\$(3,299,967)	\$ 578,000	\$(2,721,967)	\$(1,860,488)
Excess of revenue over expenses	499,812	-	499,812	601
Contribution of land	-	675,000	675,000	-
Disposition of property	-	-	-	(600,000)
Pension liability re-measurement gain (loss)	<u>916,999</u>	<u>-</u>	<u>916,999</u>	<u>(262,080)</u>
Balance, end of the year	<u>\$(1,883,156)</u>	<u>\$ 1,253,000</u>	<u>\$(630,156)</u>	<u>\$(2,721,967)</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, 2021

	2021	2020
REVENUE		
Health Canada CAPC program	\$ 243,154	\$ 243,154
United Way Success by Six	55,937	77,110
Dad Central Ontario	28,872	15,092
Other	<u>16,205</u>	<u>7,850</u>
	<u>\$ 344,168</u>	<u>\$ 343,206</u>
EXPENSES		
Personnel	\$ 274,250	\$ 294,220
Travel	28	4,170
Materials and office supplies	47,604	33,929
Staff development	6,707	5,443
Rent	<u>8,950</u>	<u>10,045</u>
	<u>\$ 337,539</u>	<u>\$ 347,807</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 6,629	\$ (4,601)
FUND BALANCE - beginning of year	<u>52,407</u>	<u>57,008</u>
FUND BALANCE - end of year	<u>\$ 59,036</u>	<u>\$ 52,407</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, 2021

	2021	2020
REVENUE		
Toronto Public Health	\$ 1,535,390	\$ 1,512,251
Other	<u>-</u>	<u>13,363</u>
	<u>\$ 1,535,390</u>	<u>\$ 1,525,614</u>
EXPENSES		
Salaries and wages	\$ 918,159	\$ 981,029
Employee benefits	221,982	229,158
Contract staff	139,887	106,423
Audit	6,000	6,000
Program supplies	772	1,063
Professional development	2,664	1,699
Travel, food and accommodations	157	2,452
Insurance	8,000	8,000
Office supplies	34,490	21,224
Furniture and equipment	22,107	17,269
Rent	<u>181,171</u>	<u>199,932</u>
	<u>\$ 1,535,389</u>	<u>\$ 1,574,249</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 1	\$ (48,635)
FUND BALANCE - beginning of year	<u>15,837</u>	<u>64,472</u>
FUND BALANCE - end of year	<u>\$ 15,838</u>	<u>\$ 15,837</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	Operating Fund	Etobicoke Brighter Futures Fund	Preschool Speech and Language Services Fund	Total 2021	Total 2020
CASH FLOWS FROM OPERATIONS					
Excess of revenue over expenditures	\$ 499,812	\$ 6,629	\$ 1	\$ 506,442	\$(52,635)
Items not requiring an outlay of cash:					
Amortization	195,038	-	-	195,038	(175,480)
Gain on disposition of restricted property	-	-	-	-	(607,526)
Net benefit plan expense	362,551	-	-	362,551	409,432
Changes in non-cash working capital (A)	<u>\$ 1,057,401</u>	<u>\$ 6,629</u>	<u>\$ 1</u>	<u>\$ 1,064,031</u>	<u>\$(75,249)</u>
	856,324	56,207	(1)	912,530	(350,868)
	<u>\$ 1,913,725</u>	<u>\$ 62,836</u>	<u>\$ -</u>	<u>\$ 1,976,561</u>	<u>\$(426,117)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Disposition of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ 1,750,000
Purchase of tangible capital assets	<u>\$(1,612,582)</u>	<u>-</u>	<u>-</u>	<u>\$(1,612,582)</u>	<u>(324,467)</u>
	<u>\$(1,612,582)</u>	<u>-</u>	<u>-</u>	<u>\$(1,612,582)</u>	<u>\$ 1,425,533</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Pension payable	\$(1,681,312)	\$ -	\$ -	\$(1,681,312)	\$ 87,973
Pension liability re-measurement loss	916,999	-	-	916,999	(262,080)
Land transactions affecting net assets	<u>675,000</u>	<u>-</u>	<u>-</u>	<u>675,000</u>	<u>(600,000)</u>
	<u>\$(89,313)</u>	<u>-</u>	<u>-</u>	<u>\$(89,313)</u>	<u>\$(774,107)</u>
INCREASE IN CASH	\$ 211,830	\$ 62,836	\$ -	\$ 274,666	\$ 225,309
CASH - beginning of year	<u>679,787</u>	<u>69,062</u>	<u>500</u>	<u>749,349</u>	<u>524,040</u>
CASH - end of year	<u>\$ 891,617</u>	<u>\$ 131,898</u>	<u>\$ 500</u>	<u>\$ 1,024,015</u>	<u>\$ 749,349</u>
(A) CHANGES IN NON-CASH WORKING CAPITAL					
Accounts receivable	\$ 1,855,701	\$ 26	\$ 60	\$ 1,855,787	\$(1,872,928)
Accounts receivable - related	(344,021)	-	-	(344,021)	(31,531)
Prepaid expenses and deposits	(7,122)	(17,804)	-	(24,926)	8,677
Accounts payable and accrued liabilities	239,438	45,422	(3,863)	280,997	339,813
Government remittances payable	6,325	-	-	6,325	(1,094)
Deferred contributions	(1,626,993)	28,563	3,802	(1,594,628)	1,669,872
Deferred contributions related to capital assets	<u>732,996</u>	<u>-</u>	<u>-</u>	<u>732,996</u>	<u>(463,677)</u>
	<u>\$ 856,324</u>	<u>\$ 56,207</u>	<u>\$(1)</u>	<u>\$ 912,530</u>	<u>\$(350,868)</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2021

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, 2021.

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.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

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.

NOTE 2 FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. As at March 31, 2021, 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.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 3 ACCOUNTS RECEIVABLE (PAYABLE) - RELATED

The balance of \$376,701 (2020 - \$32,680) represents donations receivable net of advances made by The George Hull Centre Foundation.

NOTE 4 TANGIBLE CAPITAL ASSETS

The Centre's tangible capital assets as at March 31, 2021 were comprised of:

	Cost	Accumulated Amortization	2021 Net	2020 Net
Land	\$ 1,253,000	\$ -	\$ 1,253,000	\$ 578,000
Buildings	1,430,911	117,942	1,312,969	478,816
Furniture and fixtures	183,293	155,112	28,181	34,612
Computer equipment	267,769	173,847	93,922	70,678
Computer software	22,035	15,425	6,610	11,017
Leasehold improvements	<u>2,263,023</u>	<u>693,749</u>	<u>1,569,274</u>	<u>1,673,289</u>
	<u>\$ 5,420,031</u>	<u>\$ 1,156,075</u>	<u>\$ 4,263,956</u>	<u>\$ 2,846,412</u>

Land and buildings consist of properties housing certain operations of the Centre. Although title is registered in the name of the Centre, the property was purchased with funding from the provincial government where the province retains control over any change of use, alteration, or disposition of this property.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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, 2021 and 2020 is as follows:

	2021	2020
Financial position		
Total assets	<u>\$ 3,286,740</u>	<u>\$ 2,790,690</u>
Total liabilities	\$ 396,829	\$ 382,966
Total net assets	<u>2,889,911</u>	<u>2,407,724</u>
	<u>\$ 3,286,740</u>	<u>\$ 2,790,690</u>
Results of operations		
Total revenue	\$ 1,088,149	\$ 1,308,608
Total expenditures	<u>605,962</u>	<u>720,568</u>
Excess of revenue over expenditures	<u>\$ 482,187</u>	<u>\$ 588,040</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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:

	2021	2020
Beginning balance	<u>\$ 2,172,730</u>	<u>\$ 502,858</u>
Add: Amounts received for the following year		
EarlyON Child & Family Centres	\$ 360,821	\$ 287,983
Special Needs Resourcing	53,857	66,130
Preceptor Funds	10,903	-
Family Group Conferencing - Provincial Project	9,150	-
Journey 2 Zero	2,386	-
YouthLink Conference	724	-
Family Group Conferencing - CCAS conference	-	7,941
Ministry funds held for property purchase (Note 4)	<u>-</u>	<u>1,708,825</u>
	<u>\$ 437,841</u>	<u>\$ 2,070,879</u>
Deduct: Amounts recognized as revenue in current year for		
Ministry funds held for property purchase (Note 4)	\$(1,708,825)	\$ -
EarlyON Child & Family Centres	(287,983)	(341,964)
Special Needs Resourcing	(60,085)	(56,295)
Family Group Conferencing - CCAS conference	(7,941)	-
Family Group Conferencing - Training Resource	-	(2,498)
Family Group Conferencing - Provincial Project	<u>-</u>	<u>(250)</u>
	<u>\$(2,064,834)</u>	<u>\$(401,007)</u>
Ending balance	<u>\$ 545,737</u>	<u>\$ 2,172,730</u>
Deferred balance comprises the following:		
EarlyON Child & Family Centres	\$ 403,672	\$ 330,834
Special Needs Resourcing	55,558	61,786
Family Group Conferencing - Training Resource	37,599	37,599
Family Group Conferencing - Provincial Project	34,895	25,745
Preceptor Funds	10,903	-
Journey 2 Zero	2,386	-
YouthLink Conference	724	-
Ministry funds held for property purchase	-	1,708,825
Family Group Conferencing - CCAS conference	<u>-</u>	<u>7,941</u>
	<u>\$ 545,737</u>	<u>\$ 2,172,730</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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:

	2021	2020
Beginning balance	<u>\$ 2,138,197</u>	<u>\$ 2,601,874</u>
Add: Contributions received		
Building portion of Islington Ave property	\$ 859,186	\$ -
Leasehold improvements - Ronson Drive	-	77,705
Leasehold improvements - East Mall	-	56,126
Leasehold inducements - East Mall	<u>-</u>	<u>41,647</u>
	<u>\$ 859,186</u>	<u>\$ 175,478</u>
Deduct: Amounts recognized in current year		
Amortization taken - East Mall	\$(72,436)	\$(76,356)
Leasehold inducements deducted against rent expense - East Mall	(17,844)	(17,857)
Amortization taken - Libby's Place	(14,293)	(14,293)
Amortization taken - Islington Ave	(10,740)	-
Amortization taken - Ronson Drive	(7,127)	(7,127)
Amortization taken - Queens Plate	(3,750)	(3,750)
Amortization taken - Boys' House	-	(7,519)
Amortization taken - West Mall	<u>-</u>	<u>(961)</u>
	<u>\$(126,190)</u>	<u>\$(127,863)</u>
Deduct:		
Unrecognized balance for Boys' House reallocated to deferred revenue	<u>\$ -</u>	<u>\$(511,292)</u>
Ending balance	<u>\$ 2,871,193</u>	<u>\$ 2,138,197</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued

The ending balance is comprised of:

	2021	2020
Leasehold improvements - East Mall	\$ 1,178,014	\$ 1,250,450
Islington Ave building purchase	848,446	-
Libby's Place building purchase	464,523	478,816
Leasehold inducements - East Mall	289,884	307,728
Leasehold improvements - Ronson Drive	63,451	70,578
Leasehold improvements - Queens Plate	<u>26,875</u>	<u>30,625</u>
Ending balance	\$ 2,871,193	\$ 2,138,197
Less: current portion	<u>(135,531)</u>	<u>(123,347)</u>
	<u>\$ 2,735,662</u>	<u>\$ 2,014,850</u>

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

- amounts used to purchase a property on Islington Avenue, to house the Intensive In-Home Services program, revenue is to be recognized to the same extent that amortization of the building is expensed over a forty-year amortization period;
- 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, 2021

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; and
- 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.

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 31st 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. This valuation is still in the process of being completed.

The plan assets are currently invested 45% in Canadian fixed income long-bonds and 55% in global equity pooled funds.

	2021	2020
Significant assumptions		
Discount rate		
At beginning of period	3.75%	3.45%
At end of period	3.30%	3.75%
Expected long-term rate of return on plan assets		
At beginning of period	3.75%	3.45%
At end of period	3.30%	3.75%

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 8 PENSION PLAN - continued

	2021	2020
Status		
Plan assets at fair value	\$17,207,172	\$14,205,007
Accrued benefit obligation	<u>19,120,029</u>	<u>17,436,625</u>
Funded status - plan deficit	\$(1,912,857)	\$(3,231,618)
Less: current portion	<u>-</u>	<u>-</u>
	<u>\$(1,912,857)</u>	<u>\$(3,231,618)</u>
Loss (gain) - benefit obligation		
Benefit obligation at beginning of year	\$17,436,625	\$17,792,045
Employee current service contributions	210,193	225,519
Employer current service cost	239,947	312,711
Benefit payments	(784,631)	(489,948)
Interest cost	<u>647,602</u>	<u>614,658</u>
Expected value	\$17,749,736	\$18,454,985
Actual value	<u>19,120,029</u>	<u>17,436,625</u>
Loss (Gain)	<u>\$ 1,370,293</u>	<u>\$(1,018,360)</u>
(Gain) Loss - plan assets		
Opening assets at fair value	\$14,205,007	\$15,057,832
Employee current service contributions	210,193	225,519
Employer contribution	764,313	174,107
Benefit payments	(784,631)	(489,948)
Expected return on plan assets	<u>524,998</u>	<u>517,937</u>
Expected value	\$14,919,880	\$15,485,447
Actual value	<u>17,207,172</u>	<u>14,205,007</u>
(Gain) Loss	<u>\$(2,287,292)</u>	<u>\$ 1,280,440</u>
Net benefit plan expense		
Employer current service cost	\$ 239,947	\$ 312,711
Interest cost	647,602	614,658
Expected return on plan assets	<u>(524,998)</u>	<u>(517,937)</u>
Expense	<u>\$ 362,551</u>	<u>\$ 409,432</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 8 PENSION PLAN - continued

	2021	2020
Accrued benefit asset (liability)		
Opening balance	\$(3,231,618)	\$(2,734,213)
Net benefit plan expense	(362,551)	(409,432)
Employer contributions	764,313	174,107
Re-measurement gain (loss)	<u>916,999</u>	<u>(262,080)</u>
Closing balance	<u>\$(1,912,857)</u>	<u>\$(3,231,618)</u>

Based on the actuarial valuation of December 31, 2017, regular payments in respect of annual employer service contributions plus annual administration expense were estimated at \$167,770 for 2020 and employee contributions were estimated at \$262,720 for 2020. Estimates for 2021 are to be determined in the valuation dated December 31, 2020 currently underway.

On December 18, 2020, the Centre entered into an agreement with the Colleges of Applied Arts & Technology Pension Plan (the "CAAT Pension Plan"), a multi-employer defined plan to merge the Centre's defined benefit pension plan with the CAAT Pension Plan. Effective July 1, 2021, The Centre received approval from the Centre's members and the Centre became a participating employer under the CAAT Pension Plan. The merger remains subject to consent from the Financial Services Regulating Authority of Ontario ("FSRA"). Contingent on the consent of FSRA to the transfer of assets from the Centre's Plan, the CAAT Pension Plan will assume defined benefit obligations accrued prior to July 1, 2021.

The agreement calls for an Additional Required Transfer Amount ("ARTA") to be paid by the Centre to the CAAT Pension Plan in a lump sum within 60 days following the transfer date. The ARTA was calculated to be \$560,000. The Centre made a voluntary payment of \$600,000 into the Centre's defined Pension Plan prior to the year end in anticipation of the ARTA as well as additional consultant charges due to the merger process over and above the regular administration of the Plan.

Once this transfer is completed, and the requirements of the ARTA have been fulfilled, the Centre will recognize a gain or loss in the statement of net assets.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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. Following the sale of Boys' House, the Centre received Ministry approval to purchase 2670 Islington Avenue property in the current year and the value of its land was recognized as a direct increase of the restricted fund balance.

	2021	2020
Opening balance	\$ 578,000	\$ 1,178,000
Reversal upon disposition of property	-	(600,000)
Purchase of 2670 Islington Avenue	675,000	-
Deferred contributions recognized as revenue in the period	25,033	21,812
Amortization expense	<u>(25,033)</u>	<u>(21,812)</u>
Closing balance	<u>\$ 1,253,000</u>	<u>\$ 578,000</u>

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

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, 2022	\$ 574,938
2023	574,938
2024	576,664
2025	491,527
2026	<u>613,579</u>
	\$ 2,831,646
Remainder of term	<u>6,899,944</u>
	<u>\$ 9,731,590</u>

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

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

NOTE 11 RELATED PARTY TRANSACTIONS

Donations reported in the statement of operations are net donations in the amount of \$376,701 (2020 - \$357,680) 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.

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

	2021	2020
Funding		
City of Toronto	\$ 1,159,530	\$ 1,199,117
Other	<u>-</u>	<u>73,523</u>
	<u>\$ 1,159,530</u>	<u>\$ 1,272,640</u>
Expenses		
Wages and benefits	\$ 949,755	\$ 958,829
Rent	156,421	124,886
Client services	3,094	27,654
Program supplies	535	337
Communication	4,591	5,038
Office	27,074	41,164
Repairs and maintenance	12,577	44,695
Travel	298	5,509
Staff development	<u>4,056</u>	<u>2,873</u>
	<u>\$ 1,158,401</u>	<u>\$ 1,210,985</u>
Net surplus	<u>\$ 1,129</u>	<u>\$ 61,655</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

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.

	2021	2020
Funding	\$ <u>184,401</u>	\$ <u>197,060</u>
Expenses		
Wages and benefits	\$ 168,915	\$ 171,448
Rent	4,604	4,544
Professional services:		
Client related	-	73
Non-client related	1,226	1,195
Client services	(128)	4,693
Office supplies	154	703
Communication	2,364	2,127
Insurance	700	700
Travel	102	4,391
Staff development	1,439	766
Repair and maintenance	5,007	3,309
Library	<u>18</u>	<u>-</u>
	\$ <u>184,401</u>	\$ <u>193,949</u>
Net surplus	\$ <u>-</u>	\$ <u>3,111</u>

NOTE 13 COVID-19 PANDEMIC

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Since this declaration, the Centre has had to modify or temporarily suspend the delivery of some services, however, it has not seen a significant drop in service levels. There is uncertainty as to how long the COVID-19 pandemic will continue for. The Centre does not anticipate a significant drop in its operations or the delivery of services.