

LAKESIDE CHILD CARE CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Lakeside Child Care Centre:

Opinion

We have audited the financial statements of Lakeside Child Care Centre ("the Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of changes in net assets, 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 December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Emphasis of Matter - Cessation of Operations

We draw attention to Note 2 in the financial statements, which describes that the Board of Directors of the Organization resolved to cease operations of the Organization as of June 30, 2024, and wind up the Organization within 2024. As a result, the Organization is not a going concern, and the Organization's financial statements have been prepared on a liquidation basis of accounting. Our conclusion is not modified in respect of this matter.

Other Matter

The financial statements of the Organization for the year ended December 31, 2023, were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion dated April 29, 2024.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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.

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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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Guelph, Canada
June 12, 2025

Doane Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

LAKESIDE CHILD CARE CENTRE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ -	\$ 72,637
Grants recoverable	-	17,521
Government remittances recoverable	<u>-</u>	<u>514</u>
	-	90,672
EQUIPMENT (note 3)	<u>-</u>	<u>33,076</u>
	<u>\$ -</u>	<u>\$ 123,748</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ -	\$ 21,688
Government remittances payable	-	16,251
Deferred grants and revenue (note 4)	-	28,105
Due to Lakeside Bible Church (note 5)	<u>-</u>	<u>31,629</u>
	<u>-</u>	<u>97,673</u>
NET ASSETS		
GENERAL FUND (UNRESTRICTED)	-	(90,202)
RESTRICTED FUND (INTERNALLY RESTRICTED)	<u>-</u>	<u>116,277</u>
	<u>-</u>	<u>26,075</u>
	<u>\$ -</u>	<u>\$ 123,748</u>
APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:		
_____ Director	_____ Director	

(See accompanying notes to financial statements)

LAKESIDE CHILD CARE CENTRE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund (unrestricted)	Restricted Fund (internally restricted)	2024 TOTAL	2023 TOTAL
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	(90,202)	\$ 116,277	\$ 26,075	\$ 37,510
Excess of expenses over revenue	(26,075)	-	(26,075)	(11,435)
Interfund transfer	116,277	(116,277)	-	
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,075</u>

LAKESIDE CHILD CARE CENTRE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Grants (note 6)	\$ 179,486	\$ 357,994
Child care fees	<u>59,388</u>	<u>153,373</u>
	<u>238,874</u>	<u>511,367</u>
EXPENSES		
Wages and benefits	263,611	451,110
Rent (note 5)	9,000	16,800
Meals and snacks	7,621	22,568
Professional fees	5,405	6,112
Amortization	4,808	9,225
Supplies	3,620	12,225
Facilities and equipment	1,919	2,417
Insurance	1,769	3,596
Bank charges	1,095	1,978
Bad debt	934	-
Office	153	302
HST expense	<u>120</u>	<u>1,470</u>
	<u>300,055</u>	<u>527,803</u>
EXPENSES OVER REVENUE BEFORE THE FOLLOWING	(61,181)	(16,436)
OTHER INCOME		
Debt forgiveness (note 5)	40,244	20,000
Loss on write down of equipment	<u>(5,138)</u>	<u>(15,000)</u>
EXCESS OF EXPENSES OVER REVENUE	<u>\$ (26,075)</u>	<u>\$ (11,436)</u>

(See accompanying notes to financial statements)

LAKESIDE CHILD CARE CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
INCREASE (DECREASE) IN:		
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenue	\$ (26,075)	\$ (11,436)
Charges to expenses over revenue not requiring cash:		
Amortization	4,808	9,225
Bad debt	934	-
Debt forgiveness	(40,244)	(20,000)
Loss on write down of equipment	<u>28,268</u>	<u>15,000</u>
	(32,309)	(7,211)
CHANGES IN NON-CASH WORKING CAPITAL		
Grants recoverable	16,587	(3,526)
Government remittances recoverable	514	(514)
Accounts payable and accrued liabilities	(21,688)	9,898
Deferred grants and revenue	(28,105)	(6,780)
Government remittances payable	<u>(16,251)</u>	<u>8,345</u>
	<u>(81,252)</u>	<u>212</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to Lakeside Bible Church	<u>8,615</u>	<u>(2,556)</u>
	<u>8,615</u>	<u>(2,556)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>-</u>	<u>(22,355)</u>
	<u>-</u>	<u>(22,355)</u>
DECREASE IN CASH	(72,637)	(24,699)
CASH, beginning	<u>72,637</u>	<u>97,336</u>
CASH, ending	<u>\$ -</u>	<u>\$ 72,637</u>

(See accompanying notes to financial statements)

LAKESIDE CHILD CARE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

Lakeside Child Care Centre ("the Organization") is a division of Lakeside Bible Church and is a not-for-profit organization. The Lakeside Bible Church includes two divisions, the Church and the child care centre. These financial statements only include the child care centre division. The Organization's primary purpose is to provide child care for toddlers and preschool children. The Organization is registered with Canada Revenue Agency as a charitable organization and is therefore exempt from income taxes under section 149(1)(f) of the Income Tax Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

Canadian accounting standards for not-for-profit organizations includes policies surrounding funding such as Canada-Wide Early Learning and Child Care and Wellington General Operating Grant that are in accordance with the County of Wellington Guidelines. The Canada-Wide Early Learning and Child Care Service Provider funding was applied to only those sites identified on the Canada-Wide Early Learning and Child Care Agreement – Schedule A and the funding from Wellington General Operating Grant was applied to only those sites identified on the General Operating Grant Agreement – Schedule A. The specific policies relevant to those grants are included in revenue recognition below, consistent with the policies in the above noted agreements.

(a) Equipment

Equipment is recorded at cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis. Amortization is provided at the following annual rates:

Furniture and equipment	- 20% declining-balance basis
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Equipment is tested for impairment when events or changes in circumstances indicate that an asset might be impaired. The assets are tested for impairment by comparing the net carrying value to their fair value or replacement cost. If the asset's fair value or replacement cost is determined to be less than its net carrying value, the resulting impairment is reported in the statement of operations. Any impairment recognized is not reversed.

(b) Revenue recognition

The Organization follows the deferral method of accounting for externally restricted contributions including grants.

Externally restricted contributions are deferred and recognized as revenue in the year which the related expenditures are incurred. 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.

Child care fees are recorded in the period the service is rendered and when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

continued....

LAKESIDE CHILD CARE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Fund accounting

The accounts are maintained in accordance with the principles of fund accounting, whereby net assets of the Centre are classified for accounting and reporting purposes into funds to be used as determined by the Centre.

The General Fund accounts for revenue and expenditures related to program delivery and administrative activities.

The Restricted Fund accounts for unspent funding received from the County of Wellington, designated for future use. Up to six months of operating expenditures may be held for the General Operating Grant and up to three months of operating expenditures may be held for the Canada-Wide Early Learning and Child Care Grant.

(d) Financial instruments

The Organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The Organization's financial instruments comprise cash, grants recoverable, accounts payable, and due to Lakeside Bible Church.

Financial assets and liabilities obtained in arm's length transactions are initially recorded at their fair value and subsequently measured at amortized cost. Financial assets and liabilities in related party transactions are initially and subsequently measured at cost.

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. Any impairment loss is recognized in the statement of operations.

(e) Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need of revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management's estimates relate to the allowance for doubtful accounts, and estimated lives of the Organization's equipment.

These estimates are reviewed periodically and adjustments are made to the excess (deficiency) of revenue over expenses as appropriate in the year they become known.

2. CESSATION OF OPERATIONS

In 2024, the Board of Directors approved the decision to cease operations as of June 30, 2024. The Organization ceased operations on June 30, 2024, proceeded to settle any remaining obligations and move forward with the dissolution process. As a result, the Organization is not a going concern and the financial statements have been prepared on a liquidation basis of accounting. There has been no impact on the recognition or measurement of assets and liabilities as at December 31, 2024 as a result of this determination.

3. EQUIPMENT

	2024		2023	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ <u> </u>	- \$ <u> </u>	- \$ <u> </u>	- \$ <u>33,076</u>

LAKESIDE CHILD CARE CENTRE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024

4. DEFERRED GRANTS AND REVENUE

	Deferred grants		Other deferred revenue	
	2024	2023	2024	2023
Balance, beginning of the year	\$ 23,130	\$ 27,710	\$ 4,975	\$ 7,175
Less: amount recognized as revenue in the year	\$ (23,130)	(4,580)	\$ (4,975)	(4,300)
Plus: amount received for subsequent year	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100</u>
Balance, end of the year	<u><u>-</u></u>	<u><u>\$ 23,130</u></u>	<u><u>-</u></u>	<u><u>\$ 4,975</u></u>

5. RELATED PARTY TRANSACTIONS

Related party transactions include transactions with Lakeside Bible Church and the Board of Directors.

Due to related party:

	2024	2023
Lakeside Bible Church - demand loan	\$ -	\$ 30,000
Lakeside Bible Church - advances	<u>-</u>	<u>1,629</u>
	<u><u>\$ -</u></u>	<u><u>\$ 31,629</u></u>

During the year, the Board of Directors of Lakeside Bible Church passed a resolution to forgive the related party balance and demand loan of \$40,244 (2023 - \$20,000).

The following related party transactions occurred:

	2024	2023
Rent	\$ 9,000	\$ 16,800
Debt forgiveness	\$ 40,244	\$ 20,000

These related party transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. GRANTS

	2024	2023
The County of Wellington:		
Canada-Wide Early Learning and Child Care (CWELCC) Grant	\$ 106,903	\$ 176,284
Wage Enhancement Grant (WEG)	14,874	31,300
Enhanced Support Staff (ESS) Grant	7,031	14,446
General Operating Grant (GOG)	50,678	130,315
Equipment Grants	<u>-</u>	<u>5,649</u>
	<u><u>\$ 179,486</u></u>	<u><u>\$ 357,994</u></u>

7. FINANCIAL INSTRUMENT RISKS

The Organization is not exposed to any credit, liquidity, currency, interest rate, other price and market risk in 2024.