

# **SUNNY DAYS GROUP PROGRAM**

## **FINANCIAL STATEMENTS**

December 31, 2024

**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

To the Directors of  
**SUNNY DAYS GROUP PROGRAM**

We have reviewed the accompanying financial statements of **SUNNY DAYS GROUP PROGRAM** (the Corporation), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility 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.

**Practitioner's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

**Basis for Qualified Conclusion**

In common with many not-for-profit organizations, the Corporation derives revenues from donations and fundraising activities, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of the Corporation. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donations and fundraising revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2024 and 2023, current assets as at December 31, 2024 and 2023, and net assets as at January 1 and December 31 for both the 2024 and 2023 fiscal years. Our conclusion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (continued)

### Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of **SUNNY DAYS GROUP PROGRAM** as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Trenton, Ontario  
June 25, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**SUNNY DAYS GROUP PROGRAM**  
*(Incorporated without share capital under the laws of Ontario)*  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2024**

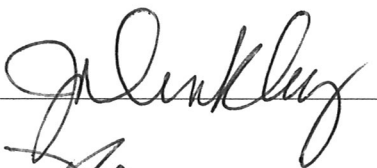
**ASSETS**


	2024	2023
<b>CURRENT ASSETS</b>		
Cash	\$ 296,913	\$ 150,276
Short-term investment - Note 4	5,500	5,500
HST rebate receivable	6,146	6,120
Prepaid expenses and deposits	10,000	-
	318,559	161,896
<b>TANGIBLE CAPITAL ASSETS - Note 5</b>	540,706	557,864
	<u>\$ 859,265</u>	<u>\$ 719,760</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 11,516	\$ 4,878
Government remittances payable	7,278	3,025
Current portion of long-term debt - Note 6	406,523	6,084
Capital donations unspent - Note 7	82,400	-
	507,717	13,987
<b>LONG-TERM DEBT - Note 6</b>	-	405,933
<b>DEFERRED CAPITAL CONTRIBUTIONS - Note 7</b>	77,567	80,868
	585,284	500,788
<b>NET ASSETS</b>		
Invested in tangible capital assets - internally restricted	56,616	64,979
Unrestricted	217,365	153,993
	273,981	218,972
	<u>\$ 859,265</u>	<u>\$ 719,760</u>

Approved by the Board:

 Director

 Director

(Unaudited)  
(See accompanying notes)

**SUNNY DAYS GROUP PROGRAM**  
**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Programs and services	\$ 216,122	\$ 187,361
Donations and fundraising	165,238	69,314
Interest and other	5,758	5,386
HST rebate	5,462	5,436
Government wage grant	4,928	4,816
Amortization of deferred capital contributions	<u>3,301</u>	<u>1,650</u>
	<u>400,809</u>	<u>273,963</u>
<b>EXPENSES</b>		
Amortization	17,158	8,579
Bank charges, interest and penalties	1,874	3,340
Fundraising costs	4,460	4,240
Insurance	6,661	4,451
Interest on long-term debt	32,160	2,655
Maintenance and repairs	23,903	2,289
Professional fees	9,390	4,238
Program supplies and costs	36,536	31,735
Property taxes	7,794	850
Rent	-	30,030
Telephone and utilities	8,834	11,467
Travel costs	3,052	880
Wages and benefits	<u>193,978</u>	<u>153,744</u>
	<u>345,800</u>	<u>258,498</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	55,009	15,465
<b>NET ASSETS, beginning of year</b>	<u>218,972</u>	<u>203,507</u>
<b>NET ASSETS, end of year</b>	<u>\$ 273,981</u>	<u>\$ 218,972</u>

(Unaudited)  
(See accompanying notes)

**SUNNY DAYS GROUP PROGRAM**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 55,009	\$ 15,465
Adjustment for:		
Amortization	17,158	8,579
Amortization of deferred capital contributions	<u>(3,301)</u>	<u>(1,650)</u>
	68,866	22,394
Change in non-cash working capital components:		
HST rebate receivable	(26)	99
Prepaid expenses and deposits	(10,000)	2,119
Accounts payable and accrued liabilities	6,638	1,335
Government remittances payable	<u>4,253</u>	<u>737</u>
	<u>69,731</u>	<u>26,684</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of short-term investment	(5,500)	(5,500)
Proceeds on redemption of short-term investment	5,500	5,500
Purchase of tangible capital assets	<u>-</u>	<u>(566,443)</u>
	<u>-</u>	<u>(566,443)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of long-term debt	-	412,500
Repayment of long-term debt	(5,494)	(483)
Restricted donations - capital	<u>82,400</u>	<u>34,442</u>
	<u>76,906</u>	<u>446,459</u>
 <b>INCREASE (DECREASE) IN CASH</b>	146,637	(93,300)
<b>CASH, beginning of year</b>	<u>150,276</u>	<u>243,576</u>
<b>CASH, end of year</b>	<u>\$ 296,913</u>	<u>\$ 150,276</u>

(Unaudited)  
(See accompanying notes)

**SUNNY DAYS GROUP PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024**

**1. PURPOSE OF ORGANIZATION**

Sunny Days Group Program is a not-for-profit organization that is a registered charity for income tax purposes. The Corporation is incorporated without share capital under the laws of the province of Ontario. The Corporation's mission is to provide day care services to individuals with special needs.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Financial Instruments**

The Corporation's cash is initially recognized and subsequently measured at fair market value. All other financial instruments are subsequently measured at amortized cost.

**Tangible Capital Assets and Amortization**

Tangible capital assets are stated at acquisition cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Building	25 years
Furniture and equipment	5 years

Amortization is recorded using one half of the annual rate in the year of acquisition.

**Revenue Recognition**

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured. Other income is recognized as earned.

**Contributed Materials and Services**

Donated materials, other than services, are recorded at fair market value at the time of the contribution. Donated services are not recorded by the Corporation.

*(Unaudited)*

**SUNNY DAYS GROUP PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant estimates include those used when determining the estimated useful lives of the Corporation's tangible capital assets and recording accrued liabilities.

**3. FINANCIAL INSTRUMENTS**

**Credit Risk**

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Corporation's maximum exposure to credit risk represents the carrying value of its cash and amounts receivable.

The Corporation's cash is deposited with a chartered bank and receivables are HST rebates and as a result, management believes the risk of loss to be remote.

**Liquidity Risk**

Liquidity risk is the risk that the Corporation cannot meet a demand for cash or fund its obligations as they become due. The Corporation manages this risk by preparing budgets and reviewing future cash flow requirements.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

*(Unaudited)*



**SUNNY DAYS GROUP PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024**

**3. FINANCIAL INSTRUMENTS (continued)**

**Currency Risk**

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the financial instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Corporation's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, the Corporation does not believe it is exposed to significant currency risk.

**Interest Rate Risk**

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Corporation's exposure to interest rate risk arises from its interest bearing assets and long-term debt maturing within the next twelve months.

**Other Price Risk**

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. The Corporation is not exposed to other price risk.

**Changes in Risk**

There have been no significant changes in the Corporation's risk exposures from the prior year.

**4. SHORT-TERM INVESTMENT**

Short-term investment consists of the following

**Guaranteed Investment Certificate**

2.25% due October 14, 2024

2.25% due October 14, 2025

	2024	2023
	\$ -	\$ 5,500
	5,500	-
	<u>\$ 5,500</u>	<u>\$ 5,500</u>

*(Unaudited)*

**SUNNY DAYS GROUP PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2024**

**5. TANGIBLE CAPITAL ASSETS**

Tangible capital assets consist of the following:

	2024 Cost	2024 Accumulated amortization	2024 Net	2023 Net
Land	\$ 137,500	\$ -	\$ 137,500	\$ 137,500
Building	428,943	25,737	403,206	420,364
	<u>\$ 566,443</u>	<u>\$ 25,737</u>	<u>\$ 540,706</u>	<u>\$ 557,864</u>

**6. LONG-TERM DEBT**

Long-term debt consists of the following:

	2024	2023
RBC mortgage - interest at 7.83%, repayable in blended monthly instalments of \$3,138 until November 2025 and secured by land and building at 1 Young Street, Brighton, ON	406,523	412,017
Less current portion	<u>(406,523)</u>	<u>(6,084)</u>
	<u>\$ -</u>	<u>\$ 405,933</u>

Estimated principal repayments are as follows:  
2025

\$ 406,523

**7. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions consist of restricted donations spent on capital assets to be amortized. Amounts are amortized on the same basis as the capital assets to which they relate. The changes in the deferred capital contributions balance is as follows:

	2024	2023
Balance, beginning of year	\$ 80,868	\$ -
Restricted contributions used for capital purchases	-	82,518
Less: amounts amortized to revenue	<u>(3,301)</u>	<u>(1,650)</u>
Balance, end of year	<u>\$ 77,567</u>	<u>\$ 80,868</u>

Capital donations unspent during the year are funds received of \$82,400 from the Ontario Trillium Foundation for a vehicle purchase that was delivered in the 2025 fiscal year. The Corporation committed to the purchase in the 2024 year for \$97,920 less a \$10,000 deposit paid in the year. An additional funding amount of \$9,100 was received subsequent to the year-end. A portion of funding is for the first annual insurance cost and licensing fees.

(Unaudited)