



**2020  
Annual  
Report**



**Schoolhouse Playcare Centres of Durham**



## Message from the President, SPC Board of Directors

In 2020-2021, we continued to be challenged by the ongoing COVID-19 pandemic. A big thank you to the entire Schoolhouse Playcare Centres of Durham team for working so hard to keep everyone safe while continuing to provide high quality care. This has been a difficult year and through it all you have stayed resilient and showed great commitment to serving families in our community.

Throughout the past two years, the Board of Directors has been happy to welcome many new members. To support Board members, we have focused on Board development over the past year. We participated in a virtual Board retreat in October 2020 which focused on roles of Board members and how to engage in Board work to support the organization.

Our committee work has focused on continuing to recruit new Board members as well as reviewing and revising our Board manual and policies/bylaws. This work remains ongoing, but some accomplishments have included:

- Revising the Board manual
- Mapping for policy/bylaw revisions to guide this continuing work over the next year
- Developing a new Board member orientation presentation (Board manual “lite” version)
- Bringing several candidates through the recruitment process, resulting in three new Board members
- Continuing the practice of maintaining a skills matrix of Board members to support recruitment practices and ensure a diverse skill set amongst the Board of Directors
- Organizing and participating in the annual Early Childhood Educator and Child Care Worker Appreciation Day in October

As we move into fall of 2021, the Board will continue to focus on work towards meeting our strategic objectives and working collaboratively with the head office team.

I would like to thank the Board for their continued dedication to Schoolhouse Playcare Centres of Durham. After five years, I am stepping down from the Board and would like to welcome the new Board chair, Amanda Melnyk. It has been a great experience being part of the Board for this amazing organization and I wish everyone all the best moving forward.

**-Rebecca Rew**



# Message from the Incoming President, SPC Board of Directors

As I enter my fifth year on the Board of Directors team of Schoolhouse Playcare Centres of Durham I am honored to serve as Board chair for the upcoming 2021/2022 term. Amongst so many changes over the last few years since I joined, I have witnessed:

- A head office move
- Strategic Planning for the Organization and Board
- An Organizational Restructure to support career development and retention
- The adoption of a digital meeting format to reduce our footprint and generate reference material for future Boards
- The retirement of our long-standing Executive Director, and recruitment and onboarding of a new Executive Director during a global pandemic
- A dedicated, resilient, and hardworking workforce committed to the safety, security, and wellbeing for all during the most uncertain, volatile, and difficult year the child care sector has ever faced
- The introduction of Collaborative Educational Sessions that foster Child Connections and Parental Engagement across organizations

I am so proud of the progress that this organization and Board continues make year after year.

During a time when the region is under so much uncertainty, it is comforting to know that our values include an emphasis on: **Caring** and **Nurturing, Family and Partnerships, Child-Focused, Respect** and **Inclusiveness, Fun** and **Friendship**. These values guide us towards our mission to provide a strong foundation of lifelong learning and discovery through play-based child care

I look forward to the year ahead. We have a great team that is committed and passionate towards contributing to a better tomorrow.

-Amanda Melnyk

## Thank you to our SPC Directors!

You have contributed your time, talent, and experience throughout 2020 to help advance our mission and support the diverse needs of the children and families within the communities we serve!

Karen Clevett  
Grace Damian, Secretary  
Patrick Farrell  
Kelly Garant  
Amanda Melnyk, Vice-President  
Kathy Moffat  
Amanda Parrish  
Rebecca Rew, President  
Damion Scott, Treasurer  
Kimberly Silva



## Message from the Executive Director

As I reflect on my first year as the Executive Director of Schoolhouse Playcare Centres I am filled with pride and a great sense of accomplishment. I have witnessed first-hand the impact our educators and child care professionals have had in the lives of so many children and families across our communities – at a time when our families have needed it the most.

The COVID-19 pandemic has had an extraordinary impact on the lives of our families as they have struggled to both understand and adapt to disruptions to their routines, impacts on their home life, work-life, absence of recreation activities, cultural events and celebrations, school closures and feelings of isolation.

Through it all, I have observed educators and child care professionals who have shown up and stepped up to ensure our children have had some sense of normalcy and **connection** while ensuring their health and safety – every day.

I am deeply appreciative of the families who have entrusted us with their children despite their uncertainty and have allowed us to provide this much needed support and care. Thank you!

As I look forward, it is with hope and optimism. I believe that the COVID-19 pandemic has illuminated both the importance of, and critical need for, high-quality, affordable, and accessible child care across the country. I believe that this is a key ingredient in helping children “return to normal” and in supporting families in their recovery. I also know that SPC is well positioned to be right there throughout this journey – every step of the way.

I would like to take this opportunity to also thank the SPC Board of Directors for their ongoing contribution to this wonderful organization and our communities throughout a particularly challenging year.

-Lisa Rankin

## Connections during COVID

Social connections are an integral part of our human race. Being able to be, and feel connected to others, within our community, has unfortunately been a rare occurrence during this past year. The Novel COVID-19 Virus pandemic has greatly impacted our outside connections and sense of belonging. With the continued support from the SPC, my family has been able to rebuild these lost connections and bring back a sense of belonging.

When the pandemic hit hard, at home, in March 2020, my family had to grapple with many tough decisions. Pregnant with twins, along with having 3 older children with special needs, the top priority was keeping everyone safe and healthy. Keeping everyone home, following public health guidelines, we as a family were confined for a whole year, to our home.

In October 2020, the twins graced us with their presence. Healthy, and home safe and sound, I knew it was time to make some more tough decisions. The social isolation started to take a toll on my family. I decided it was time to enroll my 3 older children into child care at **SPC Highbush**.

As a family that was home for an entire year, getting back out into the community was frightening. SPC has been incredibly supportive through the entire process of enrollment. Atina, the Supervisor, went above and beyond to help apply for aids/consultants within the child care setting to help support each of our children’s unique needs. The health & safety protocols put in place have also allowed my children to not only get back into the community, but to do it safely.

The educators at SPC have also been such a great support to my children. Facilitating social relationships with fellow classmates, while providing an inclusive learning environment, has allowed my children to thrive in many areas of their lives. Some of the greatest improvements I have seen in a long time include: social skills, fine motor skills and communication skills. Kind and caring at heart, the educators at SPC have been a great addition to our family’s social connections within our community.

Thank you to the SPC for all of your dedication and support! My family appreciates all that you do!

-The Ismail Family



### Our Mission

Schoolhouse Playcare Centres of Durham provides a strong foundation of lifelong learning and discovery through play-based child care



### Our Vision

Inspiring a journey of learning and personal growth for every child

## Our Values

**Fun and Friendship:** We create challenging, fun and rewarding experiences that nurture the formation of lasting friendships

**Respect and Inclusiveness:** We create an inclusive family environment where everyone belongs

**Child-Focused:** We support each child’s unique strengths, needs and character in all that we do

**Caring and Nurturing:** We ensure a safe and secure environment where every child feels loved and nurtured to discover and grow

**Family and Partnerships:** We collaborate with parents in their child’s care and foster external relationships with partners that champion quality child care for all

## Annual General Meeting: Tuesday, June 15th, 6:00 p.m.

**Keynote Speaker: Dr. Jean Clinton**  
6:00 p.m. – 7:00 p.m.

Please join us for the final speaker in our Virtual Parent Speaker Series. Our expert, Dr. Jean Clinton is a psychiatrist and advocate for children’s mental health. Her presentation will focus on how positive, responsive connections with children help them to develop resiliency and overcome adversity. (ZOOM link to follow)

**Annual General Meeting – The POWER of Connections**  
7:00 p.m. – 7:45 p.m.

Learn more about how Schoolhouse Playcare Centres has nurtured and developed our youngest learners while supporting families during the global pandemic. Key challenges and opportunities within the child care sector that have been magnified through COVID-19 will be discussed.

### Agenda

6:00 p.m. - 7:00 p.m.	Keynote Address: Dr. Jean Clinton
7:00 p.m. - 7:10 p.m.	Introduction & Land Acknowledgement Family Story
7:10 p.m. - 7:20 p.m.	Financial Business <ul style="list-style-type: none"> <li>• Auditor’s Report</li> <li>• Appointment of Auditor</li> </ul>
7:20 p.m. - 7:40 p.m.	Message from the President, Board of Directors Executive Director Report
7:40 p.m. - 7:45 p.m.	Board of Directors Membership <ul style="list-style-type: none"> <li>• Outgoing and Incoming Members</li> </ul>
7:45 p.m.	Meeting Adjourned



# Beyond COVID – the Future State of Child Care

Schoolhouse Playcare Centres of Durham is one of the largest and most reputable non-profit providers of licensed child care programs across Durham Region. For more than 35 years we have been meeting the increasingly diverse needs of the children and families we partner with. We have **2,950 licensed child care spaces** and we employ more than **300 child care educators** and professionals. We know that high-quality, affordable, inclusive and accessible child care is critical to the optimal development of children and contributes to positive and equitable outcomes for families. **In short, child care matters.**

The COVID-19 pandemic has had an extraordinary impact on children and families, and we are thankful to the Ministry of Education and our government for the support offered throughout the pandemic. More specifically, the recognition of child care as an essential service and a key driver of our economic recovery across the province. It is this recognition, in part, that has allowed us to best support children and families at a time when they have needed it most.

We are appreciative that the Government of Canada has recognized the essential role of child care on the economy, and for their advocacy to implement a Canada-wide child care system that better meets the needs for children, their families and the early learning and child care sector.

We know that an investment in early childhood education can help put Canada on a higher trend economic growth path. We know that a high-quality early learning and child care program, where children attend for several years, where education is facilitated by qualified and trained educators, can provide several benefits, including:

Positive outcomes for children including better behavioural/ social skills, better mental & physical health, and better long-term labour market outcomes

Reduction of stress & improved mental health of parents, better work performance and standard of living

Promotion of equality and decreased reliance on special needs education<sup>1</sup>

Increase in the workforce participation of women

<sup>1</sup> Deloitte. *Early Learning and Childcare as Key Economic Infrastructure*. March 2021

While COVID-19 has reinforced the critical importance of child care, it has also illuminated the long-standing challenges faced by licensed non-profit child care agencies. Staffing shortages, inconsistent, inadequate and unpredictable approaches to funding across the country and insufficient resources to support children with special needs are among these challenges.

To build a Canada-wide comprehensive child care system that is well-designed, publicly funded and publicly managed, to provide universal access to high-quality, affordable, accessible, inclusive and culturally safe early learning and child care for children from birth to age 12, there is more to do.

## Recognize the Early Childhood Educator as a professional

Attracting, recruiting, and retaining high-quality, well-trained Early Childhood Educators within licensed child care settings is, and has been, a significant issue for years and will undoubtedly become more challenging because of COVID-19. There is a direct correlation between high staff turnover and adverse impacts on program quality and child development. We know that children require a trusting, responsive, and consistent relationship with their educator to feel safe and comfortable – and approach new learning with passion and confidence.

## Recommendations:

- Increase funding specifically for wages and benefits for Early Childhood Educators and address the wage gap between Early Childhood Educators who work in licensed child care settings and school settings
- Set a provincial compensation grid that recognizes the scope and complexity of the profession of the Early Childhood Educator
- Increase funding to support the cost of an Early Childhood Education degree and/or diploma program and explore incentives such as paid placement and mentorship opportunities
- Increase funding to support the ongoing professional learning and development for Early Childhood Educators

- Improve working conditions of Early Childhood Educators, including the strengthening of partnerships between licensed child care professionals and school board professionals, lower educator to child ratios and enhanced supports for educators who work with children with special needs

### **Expand access to high-quality, affordable non-profit child care for families**

Despite evidence that a high-quality early learning and child care experiences significantly improves outcomes for children and families – the demand for licensed child care remains high, licensed spaces are difficult to find, and costs are increasingly out of reach for many families.

#### **Recommendations:**

- Direct federal infrastructure funding to build new centres, repurpose and/or renovate early learning environments that are operated by licensed non-profit organizations, and ensure that capacity building funding is prioritized to support and expand the public and non-profit child care sector
- Ensure infrastructure funding is matched with operational funding to offset the costs as new centres increase enrolment, and ensure a point of financial viability
- Work with provinces and territories to cap licensed child care fees for all age groups (0-12 years), and ensure that parent fees are viewed as a small offset to the public costs
- Ensure that licensed child care providers are provided with sustainable and predictable operating funding that *sufficiently* funds the “true costs” of a quality early learning experience
- Continue federal funding support to non-profit licensed child care so the sector can recover from the devastating impact of COVID-19 due to lost revenues and increased costs

### **Ensure inclusivity and provide ALL children with the resources and supports to meet their full potential**

ALL children deserve the opportunity to be fully immersed in their school community and have equal access to high quality child care and education. To ensure positive outcomes for children of all backgrounds, abilities, cultures and experiences, programs and environments need to be inclusive, adaptable, and equitable.

#### **Recommendations:**

- Work with stakeholders within the early learning and child care sector to establish nationally recognized principles for child care curriculum and ensure an evidence-based pedagogical framework that is monitored and evaluated to ensure strong foundation for all children
- Increase funding for licensed non-profit organizations to support children with special needs in an integrated group setting – this includes adequate funding for special needs specialists, enhanced ratios, and support for one-on-one assistance the entire time the child is in care
- Provide ongoing professional development for educators, as well as materials and resources, so they can successfully meet the unique needs of all children
- Support licensed non-profit organizations in improving their competencies to create and sustain safer, more inclusive spaces that celebrate all dimensions of diversity

### **Focus on effective oversight, monitoring and evaluation to ensure high-quality and responsive early learning and child care**

Effectively delivering on a comprehensive Canada-wide child care system that is affordable, accessible, inclusive and high-quality is contingent on regular evaluation and accountability. Establishing key performance indicators that measure progress against desired outcomes allows for “world class” early learning and child care programs and allows for a real time response to quality gaps.

#### **Recommendations:**

- Work with provinces and territories to establish evidence-based criteria to effectively measure the learning and developmental outcomes of children
- Promote stakeholder collaboration to advise and accelerate policy-making, promote evaluation and ensure accountability
- Work with provinces and territories to collect statistics on quality and performance, which could create more harmony across early learning and child care programs – and support equitable outcomes for children and families

# Schoolhouse Playcare Centres 2020 Financials

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
Schoolhouse Playcare Centre of Durham



### Opinion

We have audited the financial statements of Schoolhouse Playcare Centre of Durham (the "Organization"), which comprise the statement of financial position as at December-31-20, and the statements of operations, changes in net assets 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-31-20, and its results of operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statement of Financial Position

	2020	2019
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 5,412,161	\$ 4,208,518
Investment	2,087,044	2,004,329
Accounts receivable	1,321,814	492,511
HST rebate receivable	67,027	81,106
Prepaid expenses	148,841	136,744
	9,036,887	6,923,208
<b>Long term</b>		
Capital assets	379,962	326,560
	\$ 9,416,849	\$ 7,249,768
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 1,562,194	\$ 808,156
Current portion of capital lease obligations	17,634	17,634
Taxes withheld	116,340	136,589
Deferred day care fees	88,197	136,358
Deferred government grants, wage subsidies	416,388	559,927
	2,200,753	1,658,664
<b>Long term</b>		
Deferred capital asset grants	7,573	7,573
Deferred fundraising revenues	5,761	5,930
Deferred organizational fundraising revenues	1,994	1,994
Capital lease obligations	18,982	36,616
Deferred licensed home child care revenues	120,740	137,362
	155,050	189,475
	2,355,803	1,848,139
<b>NET ASSETS</b>		
Invested in Capital Assets	379,962	326,559
Unrestricted Net Assets	1,780,691	1,834,093
Internally Restricted	4,900,393	3,240,977
	7,061,046	5,401,629
	\$ 9,416,849	\$ 7,249,768

## Statement of Operations

	2020	2019
<b>REVENUE</b>		
Day care fees	\$ 5,556,307	\$ 12,607,012
Federal grants	5,131,053	-
Government grants and wage subsidies	3,440,402	1,479,890
Wage enhancement	314,286	899,480
Interest income	97,677	122,925
	14,539,725	15,109,307
<b>EXPENSES</b>		
Advertising and promotion	16,203	21,767
Amortization	85,789	131,108
Bad debts	5,395	39,388
Classroom supplies	43,036	65,453
Equipment repairs and replacement	843,324	122,445
Equipment repairs and replacement - one time allocation	-	5,560
Excursion expense	-	5,941
Food and supplies	417,165	846,934
Insurance	65,589	60,383
Interest on capital leases	3,265	3,358
Legal settlement	37,807	-
Office and general	116,741	135,302
Personal protective equipment	20,739	-
Professional development	24,803	9,727
Professional fees	24,236	58,088
Rent	573,379	985,583
Staff appreciation	4,674	9,937
Telephone	25,892	23,984
Toys	13,364	28,329
Transportation	3,649	31,886
Wages and benefits funded by government grants	3,789,115	1,479,890
Wages and benefits	6,842,951	10,733,908
	12,957,116	14,798,971
	1,582,609	310,336
<b>OTHER INCOME</b>		
Gain due to waiver of lease payments	(76,807)	-
<b>Excess of revenue over expenses</b>	<b>\$ 1,659,416</b>	<b>\$ 310,336</b>

## Statement of Changes in Net Assets

	Invested in Capital Assets	Internally Restricted	Unrestricted Net Assets	2020	2019
<b>Balance, beginning of year</b>	\$ 326,559	\$ 3,240,977	\$ 1,834,093	\$ 5,401,629	\$ 5,091,292
Excess (deficiency) of revenue over expenses	(85,789)	-	1,745,205	1,659,416	310,335
Invested in capital assets	139,191	-	(139,191)	-	-
Internally imposed restrictions	-	1,659,416	(1,659,416)	-	-
<b>Balance, end of year</b>	<b>\$ 379,961</b>	<b>\$ 4,900,393</b>	<b>\$ 1,780,691</b>	<b>\$ 7,061,045</b>	<b>\$ 5,401,627</b>

## Statement of Cash Flows

	2020	2019
<b>Cash provided by (used in)</b>		
<b>Operating activities:</b>		
Excess of revenue over expenses	\$ 1,659,416	\$ 310,336
Adjustment for non-cash items:		
Amortization of capital assets	85,789	131,108
	1,745,205	441,444
Increase (decrease) in current assets		
Accounts receivable	(829,303)	(125,531)
HST rebate receivable	14,079	(3,034)
Prepaid expenses	(12,097)	40,621
	(827,321)	(87,944)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	754,038	38,096
Taxes withheld	(20,249)	9,540
Deferred day care fees	(48,161)	29,457
Deferred government grants, wage subsidies	(143,539)	350,747
Deferred capital asset grants	-	(31,936)
Deferred fundraising revenues	(169)	(2,097)
Deferred licensed home child care revenues	(16,622)	137,362
	525,298	531,169
	1,443,182	884,669
<b>Investing activities:</b>		
Investments	(82,714)	(71,279)
Purchase of capital assets	(139,191)	(66,741)
	(221,905)	(138,020)
<b>Financing activities:</b>		
Capital lease obligations	(17,634)	3,240
Increase (decrease) in cash and cash equivalents	1,203,643	749,889
Cash and cash equivalents, beginning of year	4,208,518	3,458,629
<b>Cash and cash equivalents, end of year</b>	<b>\$ 5,412,161</b>	<b>\$ 4,208,518</b>



A full copy of the 2020 audited financial statements are available at each centre. Please speak to your centre Supervisor to view them.