

Financial Annual Information Return (FAIR) Guideline

Intended for Licensed Child Care Agencies in Peel Region

Early Years and Child Care Services Updated: October 2023

INTRODUCTION

The Financial Annual Information Return (FAIR) was developed to ensure greater consistency in financial statement information reported to the Region of Peel (“The Region”). This FAIR Guideline (“The Guideline”) has been updated to accommodate the new reporting requirements for child care agencies who are part of the Canada-Wide Early Learning and Child Care (CWELCC) program. This Guideline is designed to assist child care agencies with completing each

In a case where this Guideline does not provide sufficient information on a particular item or specific category, please email EarlyYearsSystemDivision@peelregion.ca for further clarification and instructions.

The FAIR template must be filled out as directed in this guide and submitted together with the Agency's Audited financial statements (and management letter (if applicable)).

Timelines

The FAIR must be submitted electronically as an excel file, along with a copy of the Agency's financial statements and management letter (if applicable) **four months** after their fiscal yearend. For example, if your Agency has a March 31 fiscal year-end, the due date to submit the FAIR, financial statements, and management letter (if applicable) would be July 31 of that same year.

It is the responsibility of the Agency to notify the Region if they anticipate any challenges with meeting the deadline for the submission of financial statements and the FAIR. Missing the deadline can result in corrective actions being applied as outlined in the [Deadlines Compliance Policy](#) and the [Hold Policy](#).

Submitting the completed FAIR template does not replace the need to submit audited financial statements. Agencies can either choose to have their auditor/accountant complete the FAIR or they may complete it themselves.

Completion of the FAIR is mandatory for all Agencies submitting financial statements.

Multi-site agencies with sites in other jurisdictions outside of Peel Region should submit consolidated revenue and expenses for Peel sites as a supplementary schedule to the audited financial statements. If a child care centre(s) is part of a larger organization, such as a church or a private school, revenue and expenses related to the centre(s) must be provided.

Please email the following items to EarlyYearsSystemDivision@peelregion.ca

- Audited Financial Statements/Statement of Financial Position (as required)
- FAIR (must be submitted as a **Microsoft Excel** file – template can be found at: <https://peelregion.ca/children/working/service-providers/#policies>)
- A copy of the management letter (if applicable)

Responsibility for the FAIR

The Board of Directors and/or owners of the Agency are responsible for ensuring that financial information provided in the FAIR is accurate.

Contact for Assistance

For any questions regarding the FAIR, please email:
EarlyYearsSystemDivision@peelregion.ca.

FINANCIAL INFORMATION

Accounting Policies

Financial statements must be prepared in accordance with International Financial Reporting Standards, or Canadian Accounting Standards for Private Enterprises, or Accounting Standards for Not-for-Profit Organizations (Part III of Canadian Institute of Chartered Accountants Handbook). The selected accounting policy must be disclosed in the notes to the financial statements.

The FAIR must be completed in sequential order, by filling out **ALL the cells highlighted in green** in the following sections:

1. A1 – Identification
2. A2 – Financial Position
3. A3 - Operations

A1 – IDENTIFICATION

This section must be completed by filling in the information as required in the cells highlighted in green.

Agency Legal Name (ID100)

- Enter the name as it appears on your licence issued by the Ministry of Education.

Agency Operating Name (ID101)

- Enter the name under which your agency operates.

Year- End (ID102)

- Enter the fiscal year end for your agency's operations.

Mailing Address (ID 103 and 104)

- Enter a valid mailing address for your agency, including the city's name, province, and postal code.

Contact Name (ID 105)

- Enter the name of the person that can be contacted for further information regarding the information submitted in the FAIR.

Phone Number (ID 106)

- Enter a valid telephone number that the Region can use to contact your agency.

Auspice (ID 107)

- Choose from the drop-down list, the appropriate auspice under which your agency operates.

Centre-Based or Home Based (ID 108)

- Choose the appropriate option, as stated on your licence from the drop-down list

Is Your Organization Part of CWELCC (ID 109)

- Choose the appropriate option from the drop-down list.
- Agencies that are part of CWELCC would have signed and return to the Region the official CWELCC opt-in letter that was part of the Expression of Interest (EOI) process.

Completed By:

- Enter the name of the person that completed the FAIR Template.

DO NOT COMPLETE THE SECTION LABELED REGION OF PEEL STAFF ONLY.

A2 – STATEMENT OF FINANCIAL POSITION

This portion of the FAIR template MUST be reflective of the Agency's Balance Sheet or Statement of Financial Position, where applicable for the reporting fiscal year.

To complete, you must be fill in all the cells highlighted in green.

Cash / Bank (Box 110)

- Consist of the following:
 - Operating bank accounts ◦ Petty Cash
 - **Please note:** The ending balance must align with the ending balance in the Statement of Cash Flow.
- Negative balances are considered as bank indebtedness and must be recorded in Box 210 under Liabilities.

Short Term Investments (Box 110a)

- Includes the total of all Investments that will be converted into cash within one year.

Accounts Receivable (Net of Allowance) (Box 111)

- Must include all related receivables (net of allowance) such as GST/HST receivable, subsidies receivable (not from the Region) etc. (i.e., all monies owed to the Agency that have not yet been paid, minus any outstanding debts that are not expected to be paid).
- **EXCLUDES** receivables from the Region (to be reported in Box 111a) and Due from Shareholder (to be reported in Box 117)

Due From Region of Peel (Box 111a)

- Must include subsidies receivable from the Region (i.e., any monies owed by the Region that has not yet been paid).

Others (Box 112)

- Items such as prepaid expenses and assets that will be converted into cash within one year.
- **INCLUDES** Current assets not covered in Box 110, 110a, 111, 111a.
- **Please enter any explanation as a comment in the cell.**

Capital Assets (Net of Amortization) (Box 114)

- Assets that will not be converted into cash within one year such as building, property, plant, and equipment (net of amortization).

Others (Box 115)

- Assets that will not be converted into cash within one year that were not covered in Box 114, such as intangible assets (net of amortization, if applicable).
- **Please enter any explanation as a comment in the cell.**

Due From Shareholder (Box 117)

- Enter the amount of money recorded on the agency's balance sheet/statement of financial position that is due from the agency's shareholder(s).

Bank Indebtedness (Box 210)

- Includes any operating bank accounts with a **negative balance only**.
- **Please note**, the ending balance must align with the ending balance in the Statement of Cash Flow.

Accounts Payable & Accrued Liabilities (Box 211)

- Must include all related payables and accruals that will be repaid within one year such as GST/HST payable, subsidies payable (not to the Region), government remittances payable, etc.

Due to Region of Peel (Box 211a)

- Must include all related payables to the Region. (i.e., any monies owed to the Region)

Deferred Revenue (Box 212)

- Any revenue (includes government subsidies/grants) not yet earned but that will be earned within one year.

Short Term Loans (Box 213) •

Includes the following:

- Loans (excludes shareholder's loan) that will be repaid within one year.
- Current portion of any long-term loans (i.e., the balance of the long-term loan that is due within one year).

Others (Box 214)

- Any current liabilities not covered in **Box 210, 211, 211a, 212, 213**.
- **Please enter any explanation as a comment in the cell.**

Mortgage (Box 216)

- Enter the closing balance on your mortgage statement at the end of the fiscal year.

Other Loans (Box 217)

- Must include all related liabilities that will not be repaid within one year such as longterm loans (exclude shareholder loans) etc.
- **Please enter any explanation as a comment in the cell.**

Due to Shareholder (Box 219)

- Enter the amount of money recorded on the agency's balance sheet that is due to the agency's shareholder(s).

Retained Earnings / Accumulated Surplus (Deficit) (Box 500)

- This cell will be populated when you have entered the appropriate amounts in the following cells (as indicated by the arrow):
 - Retained Earnings/Accumulated Surplus (Deficit) - Box 500a
 - Less: Dividends Paid – Box 500c
 - Others – Box 500d

Other Reserve (If Applicable) (Box 502)

- **Only applies to not-for-profit organizations.**
- Can be restricted and/or unrestricted reserve.
- **Please enter any explanation as a comment in the cell.**

Others (Box 513)

- Items not covered in **Box 500** and **Box 502**.
- **Please enter any explanation as a comment in the cell.**

RETAINED EARNINGS / ACCUMULATED SURPLUS (DEFICIT) DETAILS

Retained Earnings/Accumulated Surplus (Deficit), Beginning Balance (Box 500a)

- Enter the ending balance from the previous year's balance sheet/statement of financial position that shows the profit/deficit that the agency has accumulated from previous years.
- If it is a deficit, please enter a negative number (e.g. -\$400.00)

LESS Dividends Paid (Box 500c)

- Enter the total amount of dividends paid for this fiscal year as recorded on the balance sheet/statement of financial position.
- Please enter a negative number (e.g. -\$400).

Others (Box 500d)

- Items not covered in **Box 500a** and **Box 500c**.
- **Please enter any explanation as a comment in the cell.**

A3 - STATEMENT OF OPERATIONS / INCOME STATEMENT

This section has been updated to accommodate CWELCC reporting.

NON-CWELCC AGENCIES: Non CWELCC Agencies are only required to complete the cells highlighted in green in column C of this section

CWELCC AGENCIES: CWELCC Agencies are required to complete column C and report specific information for the 0-6 age group where highlighted in green, under column D.

***Important:** Multi-site Service agencies with sites in other jurisdictions should complete this section of the FAIR based on the revenue and expenses for **Peel sites** only. If a child care centre(s) is part of a larger organization, such as a church or a private school, revenue and expenses related to the child care centre(s) must be reported.

REVENUE DETAILS

Non CWELCC Agencies are only required to complete Column C

CWELCC Agencies are required to fill in columns C and D where highlighted in green. In some places, Column E has been formulated to calculate the difference between columns C and D, where applicable.

Parental Child Care Fees (Excluding CWELCC) (Box 310)

- Enter the amount of child care fees paid by parents directly to the agency within the fiscal year that is not covered by subsidies from the Region, including CWELCC funds.
- If you are a CWELCC Agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

Canada Wide Early Learning & Child Care (CWELCC) Used – Fee Reduction (Box 311)

- FOR CWELCC AGENCIES ONLY.
- Report the amount of CWELCC fee reduction funding used for the fiscal year.

Canada Wide Early Learning & Child Care (CWELCC) Used – Workforce Compensation (Box 320)

- FOR CWELCC AGENCIES ONLY.
- Report the amount of CWELCC workforce compensation funding used for the fiscal year.

Canada Wide Early Learning & Child Care (CWELCC) Used – Other Grants (Box 321)

- FOR CWELCC AGENCIES ONLY.
- Report the total amount used from the CWELCC Transition Grant to offset auditing costs, administrative expenses, inflationary pressures, and alternate capacity for the fiscal year

Child Care Subsidy (Box 322)

- Report the total amount of Child Care Subsidy used from the Region for the fiscal period.

- If you are a CWELCC Agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

General Operating Grant (GOF) Used (Salaries, Wages and Benefits (SWB), Historical, Pay Equity) – Centres Only (Box 323)

- This cell relates to **Centre Based Agencies only**.
- Report the total amount of the General Operating Fund (GOF) used for the fiscal year.
- If you are a CWELCC Agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group

Wage Enhancement Grant Used (Box 324)

- Report the total amount of the Wage Enhancement Grant (WEG) used from the Region for the fiscal year.
- This also includes the total amount of Home Child Care Enhancement Grant (HCCEG) used from the Region for the fiscal year.
- If you are a CWELCC agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

Special Purpose Funding Used (Box 325)

- Special Purpose Funding (SPF) helps agencies with one-time expenses needed to comply with licensing and health requirements, improve program viability, support business transformation, and enhance quality (e.g., Covid Phase 5 funding).
- Report the total amount of any special purpose funding used during this fiscal year.
- **Please enter any explanation as a comment in the cell.**
- FOR CWELCC AGENCIES: Column D and E are formulated to calculate the prorated amounts for each age group base on the total distributed amount of the Parental Child Care Fees (Box 310) and the Child Care Subsidy (Box 322)

LHCC Based Funding (Box 326)

- Includes the following funds used for the fiscal year:
 - Fee Reduction Operating Grant (FROG)
 - Payments to Home Child Care Agencies
 - Payments to Home Visitors and Supervisors (SWB)
 - Historical Funding
 - Base Operating/Administrative Funding
- If you are a CWELCC agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

Other Regional Grant Used (Box 327)

- Report all other Region of Peel grants used that were not reported in Box 311, Box 320 to Box 326.
- If you are a CWELCC agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

Other Revenue (Box 328)

- Report all other revenue which may include non-base fees not covered by CWELCC, Investment Income, Fundraising etc.
- **Please enter any explanation as a comment in the cell.**
- If you are a CWELCC agency, then you must complete columns C and D. In column D, report the portion of the total that was used for 0-6 age group.

EXPENSE DETAILS

***Important – Gross Expenses Only:** All expenses should be reported as **gross** without deducting any federal, provincial, or regional grants or any other discounts for which agencies may have been entitled to during their respective fiscal years.

NON-CWELCC AGENCIES: Non CWELCC agencies are only required to complete the cells highlighted in green in Column C.

SALARY COSTS (SALARIES & BENEFITS)

FOR CWELCC AGENCIES: CWELCC agencies are required complete column C and report specific information for the 0-6 age group where highlighted in green, under column D.

SALARY COST RELATES ONLY TO STAFF ON AGENCY'S PAYROLL - Any services contracted out and not on payroll, should be accounted for in the appropriate line under the General Administration section. If a line does not exist, then it should be accounted for under Other (Box 451p) in the General Administration section.

Program Related Salaries & Benefits (excluding management fee) (Box 411a)

- Gross salaries and benefits expense for program staff (e.g., RECEs, ECEs, supervisor, classroom assistants, supply staff etc.) excluding management fee (**Box 451k**).
- Includes the salary for Home Visitors and Supervisors for LHCCs.
- This gross amount represents the total compensation these employees received including any General Operating Funding (GOF), Wage Enhancement Grant (WEG), Pay Equity and any other Region of Peel funding.
- Any federal or provincial grants such as the Canada Emergency Wage Subsidy (CEWS) that were used for salaries and benefits should not be deducted. Any CEWS amounts for which the Agency is entitled should be reported as revenue in Box 328.
- CWELCC agencies must complete column C and D. In column D, report the portion of the total that was used for 0-6 age group.

Admin Salaries & Benefits (excluding management fees) (Box 411b)

- Gross salaries and benefits expense for employees who support the administrative functions of the organization (e.g., Admin assistants, clerks etc.) excluding management fee (Box 451k).

- This gross amount represents the total compensation these employees received including any General Operating Funding (GOF), Wage Enhancement Grant (WEG), Pay Equity and any other Region of Peel funding.
- Any federal or provincial grants such as the Canada Emergency Wage Subsidy (CEWS) that were used for salaries and benefits should not be deducted. Any CEWS amounts for which the Agency is entitled should be reported as revenue in Box 328.
- CWELCC agencies must complete column C and D. In column D, report the portion of the total that was used for 0-6 age group.

Management Salaries & Benefits (excluding management fee) (Box 411c)

- Gross salaries and benefits expense for employees who manage the organization, excluding management fee (Box 451k).
- This also includes the owner/operator unless they are paid a management fee and therefore should be reported under Management Fees (Box 451K).
- This gross amount represents the total compensation these employees received including any General Operating Funding (GOF), Wage Enhancement Grant (WEG), Pay Equity and any other Region of Peel funding.
- Any federal or provincial grants such as the Canada Emergency Wage Subsidy (CEWS) that were used for salaries and benefits should not be deducted. Any CEWS amounts for which the Agency is entitled should be reported as revenue in Box 328.
- CWELCC agencies must complete column C and D. In column D, report the portion of the total that was used for 0-6 age group.

Other (Box 411d)

- Gross salaries and benefits expense for employees not reported in Box 411a to Box 411c, excluding management fee (Box 451k).
- **Please enter any explanation as a comment in the cell.**
- This gross amount represents the total compensation these employees received including any General Operating Funding (GOF), Wage Enhancement Grant (WEG), Pay Equity and any other Region of Peel funding.
- Any federal or provincial grants such as the Canada Emergency Wage Subsidy (CEWS) that were used for salaries and benefits should not be deducted. Any CEWS amounts for which the Agency is entitled should be reported as revenue in Box 328.
- CWELCC agencies must complete column C and D. In column D, report the portion of the total that was used for 0-6 age group.

OCCUPANCY

Important: For CWELCC agencies, Column D and E are formulated to calculate the prorated amounts for each age group base on the total distributed amount of the Parental Child Care Fees (Box 310), Canada Wide Early Learning & Child Care (CWELCC) Used – Fee Reduction (Box 311) and the Child Care Subsidy (Box 322)

Rental of Office / Building (Box 421a)

- Report the base rent EXCLUDING property tax (Box 421b), property insurance (Box 421c), property maintenance fees (Box 421d) and repairs and maintenance (Box 461b) for the fiscal year.

- This gross amount represents the total rent cost as per the rental/lease agreement without deducting any federal or provincial grants, such as the Canada Emergency Rent Subsidy (CERS) or other discounts.
- Any amounts for the Canada Emergency Commercial Rent Assistance (CECRA) discount or the CERS for which the Agency was entitled should be reported as revenue in Box 328.
- General property maintenance costs should be reported in “Repairs & Maintenance” (Box 461b).

Property Tax (421b)

- Enter the total amount paid in property taxes for the fiscal year.
- If the rental agreement specifies the total amount of property tax, then that amount is reported here.

Property Insurance (Box 421c)

- Enter the total amount paid in property insurance for the fiscal year.

Property Maintenance Fee (Box 421d)

- Enter the total amount paid for the fiscal year to a third party or as part of your lease for property management and maintenance. (This is a scheduled monthly expense that is paid regardless of whether there were any repairs or maintenance done to the property).
- EXCLUDES any general repairs and maintenance expenses paid for the fiscal year. This amount must be reported in Box 461b.

Mortgage Interest (Box 421e)

- Enter the total amount paid in mortgage interest ONLY, for the fiscal year.
- EXCLUDES the amount owed on the mortgage as reported in Box 216 under A2Financial Position Section.

Utilities (Box 421f)

- Enter the total amount paid for utilities for the fiscal year (e.g., water, electricity, gas, hot water tank).

Other (Box 421g)

- Enter any other occupancy related costs that were not accounted for in Boxes 421a to 421f.
- **Please enter any explanation as a comment in the cell.**

NUTRITION (PROGRAM RELATED)

Food Costs (Box 431a)

- Enter the total cost of food, including preparation for the children for the fiscal year.
- INCLUDES any payment to a cook to prepare meals.
- If the cook plays multiple roles within the program, then the portion of the time that the cook spent preparing meals, should be reported in this line.

Catering Service (Box 431b)

- Enter the total amount paid for catering service for the fiscal year.

Other (Box 431c)

- Enter any other program related nutrition cost that was not accounted for in Boxes 431a and 431b
- **Please enter any explanation as a comment in the cell.**

PROGRAM

Program Supplies (Box 441a)

- Enter the total amount spent on program supplies for the fiscal year.

Other (Box 441b)

- Enter the total amount spend for the fiscal year on related program costs that was not accounted for in Box 441a.
- **Please enter any explanation as a comment in the cell.**

GENERAL ADMINISTRATION

Advertising and Promotions (Box 451a)

- Enter the total cost for advertising and promotions for the fiscal year (e.g., payments to the franchisor for advertisements, website, flyers, and print materials).

Amortization/Depreciation (Box 451b)

- Enter the total cost as it relates to amortization and depreciation of fixed assets for the fiscal year.

Auditing (Box 451c)

- Enter the total amount paid to a Licensed Public Accountant for an Audited Financial Statement and Notice to Reader (where applicable) for the fiscal year.

Bad Debts (Box 451d)

- Enter the total amount in bad debts (if any) that were accrued for the fiscal year

Bookkeeping (Box 451e)

- Enter the total amount paid for the fiscal year to a third-party accountant providing accounting services.

Central Allocated Administration (For Multi-Site Agencies) (Box 451f)

- **ONLY FOR MULTI-SITE AGENCIES.**
- Enter the total operating cost that was allocated to the local site(s) located in Peel Region by the head office. e.g., administration, accounting, human resources salaries, and head office expenses.

Insurance (Box 451g)

- Enter the total cost for insurance for the fiscal year (e.g., Commercial General Liability insurance, Director liability insurance, and Automobile insurance liability (if applicable)).

Interest (Box 451h)

- Enter the total amount of any interest payments for the fiscal year.
- EXCLUDES mortgage interest (Box 421e).

Bank Charges (Box 451i)

- Enter the total amount of bank charges paid for the fiscal year.

Legal (Box 451j) • Enter the total amount for legal cost (e.g., lawyer's fees, court fees etc.) for the fiscal year.

Management Fee (Box 451k)

- Enter the total amount paid by the owners to a person or company for managing the childcare operation.
- EXCLUDES management fees paid relating to investments.

Office and General (Box 451l)

- Enter the total cost for office and general expenses for the fiscal year (e.g., office supplies, postage, courier, printing, photocopier rental and maintenance, office equipment maintenance, collection fees, minor miscellaneous expenses).

Telephone & Internet (Box 451m)

- Enter the total cost incurred for the use of the telephone, internet, and fax for the fiscal year.

Professional and Consulting Fees (Box 451n)

- Enter the total cost incurred for the fiscal year as it relates to professional and consulting fees.

Professional Dues (Box 451o)

- Enter all costs for the membership fees paid to maintain professional status for the fiscal year.

Others (Box 451p)

- Enter any general administrative cost that was not accounted for in Box 451a to Box 451o.
- INCLUDES other services contracted out, that was not reported under any other line in the General Administration category.
- **Please enter any explanation as a comment in the cell.**

OTHERS

Payment to Home Child Care Agencies (ONLY APPLICABLE TO LICENSED HOME CHILDCARE AGENCIES) (Box 461a)

- Enter the total amount paid to Licensed Home Child Care Providers for the fiscal year.

Repairs & Maintenance (Box 461b)

- Enter the total amount of any general repairs and maintenance costs for the fiscal year.
- EXCLUDES any amount paid to a third party or as part of your lease for property management and maintenance as reported in Box 421d.

Income Tax (Box 461c)

- Enter the total amount paid in income tax for the fiscal year.

Franchise Fees (Box 461d)

- Any the total amount paid to a franchisor for the right to enter or maintain a franchise agreement.

Other (Box 461e)

- Enter the total of any other expense that the organization has incurred for the fiscal year that has not been accounted for in any other line in the Expense Details subsection.
- **Please enter any explanation as a comment in the cell.**

CURRENT INCOME (LOSS) OR SURPLUS (DEFICIENCY) (BOX 500b)

- The cells are calculated by deducting the Total Expenses (Box 490) from the Total Revenue (Box 330).

END