

**COLLEGE-MONTROSE CHILDREN'S PLACE**

**(a charitable organization)**

**FINANCIAL STATEMENTS**

**YEAR ENDED TO DECEMBER 31, 2012**

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CHARTERED ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of College-Montrose Children's Place, which comprise the statement of financial position as at December 31, 2012, and the statements of operations, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

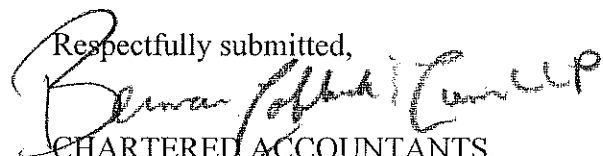
**Basis for Qualified Opinion**

As is the case of most organizations in receipt of funds by donations and fundraising, verification of such items was impractical beyond accounting for amounts recorded in the accounts of the organization, and we were not able to determine whether adjustments might be necessary to contributions, excess of revenues over expenses, current assets and net assets.

**Qualified Opinion**

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and fundraising referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2012, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario.  
May 14, 2013.

Respectfully submitted,  
  
CHARTERED ACCOUNTANTS.  
Licensed Public Accountants.

**COLLEGE-MONTROSE CHILDREN'S PLACE**

(a charitable organization)

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2012**

	2012	2011 (Unaudited Note 6)
<b>ASSETS</b>		
Current		
Cash	\$ 90,305	\$ 157,089
Temporary investments	330,121	228,354
Grants receivable	34,863	37,640
Accounts receivable	12,995	1,627
Prepaid expenses and sundry assets	<u>35,063</u>	<u>29,684</u>
	503,347	454,394
Capital - at cost less accumulated amortization	<u>4,399</u>	<u>5,814</u>
	<u>\$ 507,746</u>	<u>\$ 460,208</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	\$ 61,169	\$ 71,062
Deferred revenue (note 3)	<u>301,656</u>	<u>243,160</u>
	362,825	314,222
Capital contribution from funders	<u>4,158</u>	<u>5,283</u>
	<u>366,983</u>	<u>319,505</u>
<b>NET ASSETS</b>		
Net assets internally restricted for general purposes	90,502	90,442
Unrestricted net assets	<u>50,261</u>	<u>50,261</u>
	140,763	140,703
	<u>\$ 507,746</u>	<u>\$ 460,208</u>

Approved on behalf of the Board:

Bernine Director  
Karen Caine Director

The accompanying notes form an integral part of these financial statements.

COLLEGE-MONTROSE CHILDREN'S PLACE

(a charitable organization)

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2012

	Restricted for general purposes	Unrestricted	2012 Total	2011 Total (Unaudited Note 6)
<b>BALANCE</b> - Beginning of year	\$ 90,442	\$ 50,261	\$ 140,703	\$ 138,733
- Excess of revenues over expenses	<u>60</u>	<u>-</u>	<u>60</u>	<u>1,970</u>
<b>BALANCE</b> - End of year	\$ <u>90,502</u>	\$ <u>50,261</u>	\$ <u>140,763</u>	\$ <u>140,703</u>

The accompanying notes form an integral part of these financial statements.

**COLLEGE-MONTROSE CHILDREN'S PLACE**

(a charitable organization)

**STATEMENT OF OPERATIONS AND EXPENSES**

**YEAR ENDED DECEMBER 31, 2012**

	2012	2011 (Unaudited Note 6)
<b>REVENUES</b>		
Ministry of Children and Youth Services (note 4)	\$ 605,710	\$ 605,710
United Way of Greater Toronto (note 4)	220,117	243,501
City of Toronto (note 4)	60,548	87,438
Fundraising	53,654	49,184
Human Resources and Skills Development Canada	23,737	20,467
Other agencies	15,477	17,016
Foundations and other organizations (note 4)	17,850	88,016
Donations	24,856	27,791
Interest and sundry	<u>5,016</u>	<u>3,361</u>
Total revenues	1,026,965	1,142,484
Deduct - Deferred revenue (note 3)	<u>(58,496)</u>	<u>(162,936)</u>
Current year revenues	<u>968,469</u>	<u>979,548</u>
<b>EXPENSES</b>		
Salaries	557,133	553,112
Payments to partners	152,551	154,256
Employee benefits	121,515	128,570
Program expenses	74,480	72,366
Professional fees	24,808	25,256
Administration expenses	21,076	23,176
Fundraising expenses	15,373	13,236
Staff travel and development	766	4,741
Contracted services	<u>707</u>	<u>2,865</u>
	<u>968,409</u>	<u>977,578</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	60	1,970
Transfer to reserve	<u>(60)</u>	<u>(1,970)</u>
	\$ <u>-</u>	\$ <u>-</u>

The accompanying notes form an integral part of these financial statements.

**COLLEGE-MONTROSE CHILDREN'S PLACE**

**(a charitable organization)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2012**

	2012	2011 (Unaudited Note 6)
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>60</u>	\$ <u>1,970</u>
Adjustments for:		
Amortization of capital assets	<u>291</u>	<u>227</u>
Changes in non-cash working capital:		
(Increase) decrease in grants receivable	2,777	(4,972)
Increase in temporary investments	(101,767)	(53,044)
(Increase) decrease in accounts receivable	(11,368)	3,738
Increase in prepaid expenses and sundry assets	(5,379)	(11,368)
Increase in deferred revenue	58,496	159,436
Decrease in accounts payable and accrued liabilities	<u>(9,894)</u>	<u>(1,217)</u>
	<u>(67,135)</u>	<u>92,573</u>
Cash flow from operating activities:	<u>(66,784)</u>	<u>94,770</u>
Net increase (decrease) in cash and cash equivalents	<u>(66,784)</u>	94,770
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>157,089</u>	<u>62,319</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	\$ <u>90,305</u>	\$ <u>157,089</u>

The accompanying notes form an integral part of these financial statements.

# COLLEGE-MONTROSE CHILDREN'S PLACE

(a charitable organization)

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

### 1. PURPOSE OF THE ORGANIZATION

College-Montrose Children's Place is a family support programme that addresses the changing needs of diverse families. The organization creates connections between children, parents, grandparents and other caregivers in local neighbourhoods with a focus on:

- Supporting healthy child development
- Promoting healthy families
- Breaking down isolation
- Fostering mutual aid and peer support
- Strengthening parenting knowledge and skills
- Valuing inclusion and harmony

In partnership with families and the community the organization provides safe, stimulating learning environments and opportunities for children, parents and caregivers. Children's Place is an open collaborative organization that values and respects the unique needs and strengths of all families.

College-Montrose Children's Place is a registered Canadian Charitable organization, registration number 11886-7985-RR0001. The organization is incorporated under the laws of the Province of Ontario as a not-for-profit organization and is exempt from income taxes under Section 149 of the Income Tax Act.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) REVENUE RECOGNITION

Revenue and expenditures are recorded on the accrual basis. Grants and other revenue received during the year to fund activities and programs which are continued subsequent to the year end are deferred.

- (b) The organization does not account for contributed materials and services.
- (c) The organization considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the organization is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the organization with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The organization is not subject to any externally imposed requirements of its capital.

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**COLLEGE-MONTROSE CHILDREN'S PLACE**

(a charitable organization)

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

...Continued

**3. DEFERRED REVENUE**

Revenues are accounted for on a funding year basis. Further revenues were deferred with permission of the funders/contributors to fund future relocation expenses.

	End of Year	Net Change Current Year	Beginning of Year
<b>Deferred per funding period:</b>			
United Way - Success by Six	\$ 21,604	\$ -	\$ 21,604
City of Toronto - Children's Services	2,482	2,482	
Other agencies	<u>-</u>	<u>(1,538)</u>	<u>1,538</u>
	<u>24,086</u>	<u>944</u>	<u>23,142</u>
<b>Deferred - Relocation Fund:</b>			
Foundations	93,366	13,350	80,016
Fundraising	67,910	19,346	48,564
Donations	70,468	24,856	45,612
United Way - Member Allocation	23,700	-	23,700
Ministry of Children and Youth Services			
- Early Years Centre Development	18,765	-	18,765
Interest and sundry	<u>3,361</u>	<u>-</u>	<u>3,361</u>
	<u>277,570</u>	<u>57,552</u>	<u>220,018</u>
<b>TOTAL</b>	<b>\$ <u>301,656</u></b>	<b>\$ <u>58,496</u></b>	<b>\$ <u>243,160</u></b>

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**COLLEGE-MONTROSE CHILDREN'S PLACE**

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**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

...Continued

**4. FUNDING DETAILS**

	2012	2011 (Unaudited Note 6)
Ministry of Children and Youth Services Early Years Centre	\$ <u>605,710</u>	\$ <u>605,710</u>
United Way of Greater Toronto Member Allocation Success By Six	\$ 133,704 <u>86,413</u>	\$ 135,484 <u>108,017</u>
	\$ <u>220,117</u>	\$ <u>243,501</u>
City of Toronto Children's Services Investing in Neighbourhoods Subsidies	\$ 12,251 <u>48,297</u>	\$ 9,716 <u>77,722</u>
	\$ <u>60,548</u>	\$ <u>87,438</u>
Foundations and Corporations C.S.T. Consultants Inc. The McLean Foundation CHUM Charitable Foundation Other Ontario Trillium Foundation J.P. Bickell Foundation	\$ 6,000 5,000 4,500 2,350 - - <u>-</u>	\$ - - 4,500 4,317 74,200 <u>5,000</u>
	\$ <u>17,850</u>	\$ <u>88,017</u>

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**COLLEGE-MONTROSE CHILDREN'S PLACE**

**(a charitable organization)**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

...Continued

**5. FINANCIAL INSTRUMENTS**

The organization's financial instruments consist of cash, grants and accounts receivable, accounts payable and accrued liabilities and deferred revenue. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

The carrying values of the financial instruments approximate their fair values because of the relatively short period to maturity of the instruments or because they are receivable or payable on demand.

**6. ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS (ASNFPO)  
FIRST TIME ADOPTION**

These financial statements are the first financial statements for which the entity has applied Canadian Accounting Standards for not-for-profit organizations (ASNFPO), and were prepared in accordance with *CICA Handbook - Accounting, Part III, Section 1501, First-time adoption*.

The organization issued financial statements for the year ended December 31, 2011 using generally accepted accounting principles prescribed by *CICA Handbook - Part V-Accounting XFI*. The adoption of ASNFPO had no impact on the previously reported assets, liabilities and net assets of the organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, operations, net assets and cash flows. Certain of the organizations disclosures included in these financial statements reflect the new disclosure requirements.

Since the previous year's financial statements were audited under Part V of the *CICA handbook* and not Part III, for comparative purposes we are showing them as unaudited.