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**COLLEGE-MONTROSE CHILDREN'S  
PLACE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
College-Montrose Children's Place

We have audited the accompanying financial statements of College-Montrose Children's Place, which comprise the statement of financial position as at December 31, 2015, 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization'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*

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of College-Montrose Children's Place as at December 31, 2015, 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

April 26, 2016  
Toronto, Ontario

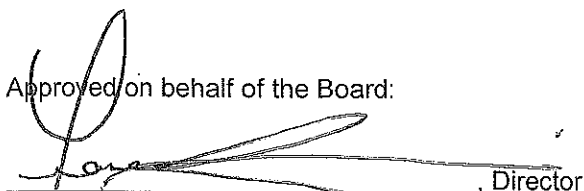
# COLLEGE-MONTROSE CHILDREN'S PLACE


## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2015

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash	\$ 7,441	\$ 41,607
Short-term investments (note 3)	431,841	355,034
Grants receivable	12,262	45,617
Other amounts receivable	7,369	20,376
HST rebate recoverable	42,401	85,030
Prepaid expenses	<u>22,534</u>	<u>22,736</u>
	523,848	570,400
Long-term assets		
Capital assets (note 4)	<u>331,152</u>	<u>442,452</u>
	<u>\$ 855,000</u>	<u>\$ 1,012,852</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 75,195	\$ 77,848
Payroll source deductions payable	2,961	26,146
Deferred contributions (note 6)	99,168	141,565
Deferred relocation contributions (note 7)	<u>43,957</u>	<u>49,816</u>
	221,281	295,375
Long-term liabilities		
Deferred capital contributions (note 8)	<u>331,152</u>	<u>442,452</u>
Total liabilities	<u>552,433</u>	<u>737,827</u>
Net assets		
Unrestricted	195,722	168,180
Designated (note 5)	<u>106,845</u>	<u>106,845</u>
	<u>302,567</u>	<u>275,025</u>
	<u>\$ 855,000</u>	<u>\$ 1,012,852</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

**COLLEGE-MONTROSE CHILDREN'S PLACE**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>2015</b>			<b>2014</b>
	<b>Designated</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
Net assets, beginning of year	\$ 106,845	\$ 168,180	\$ 275,025	\$ 157,106
Excess of revenue over expenses for the year	<u>-</u>	<u>27,542</u>	<u>27,542</u>	<u>117,919</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 106,845</u>	<u>\$ 195,722</u>	<u>\$ 302,567</u>	<u>\$ 275,025</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>REVENUE</b>		
Contributions		
Government funding (note 9)	\$ 702,447	\$ 693,378
United Way of Greater Toronto (note 10)	225,853	225,833
Other (note 11)	27,805	30,760
Donations and fundraising	141,388	153,989
Capital contributions recognized (note 12)	111,300	111,300
Interest	<u>4,328</u>	<u>2,794</u>
	<u>1,213,121</u>	<u>1,218,054</u>
<b>EXPENSES</b>		
Personnel	696,737	631,875
Payments to partners	149,993	152,551
Occupancy (note 13)	94,173	87,174
Program	57,476	36,280
Professional fees	38,973	29,448
Administration	25,322	22,912
Fundraising	8,333	27,735
Staff travel and development	3,272	860
Amortization	<u>111,300</u>	<u>111,300</u>
	<u>1,185,579</u>	<u>1,100,135</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 27,542</u>	<u>\$ 117,919</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 27,542	\$ 117,919
Add back non-cash items -		
Amortization of capital assets	111,300	111,300
Capital grants recognized in year	(111,300)	(111,300)
Net change in non-cash working capital items (see below)	<u>15,099</u>	<u>69,822</u>
Net cash generated from operations	<u>42,641</u>	<u>187,741</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(76,807)	(69,314)
Capital assets purchased	<u>-</u>	<u>(87,030)</u>
Net cash used for investing activities	<u>(76,807)</u>	<u>(156,344)</u>
<b>FINANCING ACTIVITIES</b>		
Capital contributions received	<u>-</u>	<u>39,240</u>
<b>NET CASH GENERATED (USED) IN THE YEAR</b>	(34,166)	70,637
Cash, (bank indebtedness) beginning of year	<u>41,607</u>	<u>(29,030)</u>
<b>CASH, END OF YEAR</b>	<u>\$ 7,441</u>	<u>\$ 41,607</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Grants receivable	\$ 33,355	\$ (5,195)
Other amounts receivable	13,007	(15,055)
HST rebate recoverable	42,629	(25,183)
Ontario Trillium Foundation capital funding receivable	-	159,160
Prepaid expenses	202	(2,608)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(2,653)	(36,350)
Payroll source deductions payable	(23,185)	12,369
Deferred contributions	(42,397)	12,407
Deferred relocation contributions	<u>(5,859)</u>	<u>(29,723)</u>
	<u>\$ 15,099</u>	<u>\$ 69,822</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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College-Montrose Children's Place (the organization) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

College-Montrose Children's Place is a family support program that addresses the changing needs of diverse families. The organization creates connections between children, parents, grandparents and other caregivers in local neighbourhoods with 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. College-Montrose Children's Place is an open collaborative organization that values and respects the unique needs and strengths of all families.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered significant:

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including restricted grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions. Externally restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized.

Unrestricted contributions, including donations and amounts received from fundraising, are recorded when received.

##### *Contributed materials and services*

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

##### *Investment income*

Investment income comprises interest from cash, guaranteed investment certificates, and high interest savings accounts. Interest is recognized as revenue when earned.

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Capital assets

Capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Leasehold improvements	- 5 years, straight line
Appliances	- 5 years, straight-line
Furniture and equipment	- 5 years, straight-line

### 2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, short-term investments, grants receivable, other amounts receivable, accounts payable and accrued liabilities.

Short-term investments comprise guaranteed investment certificates and high interest savings accounts. Guaranteed investment certificates are recorded at cost plus accrued interest income. Grants receivable, other amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks and that existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities. Fluctuations in market interest rates do not affect future cash flows from the organization's guaranteed investment certificates.

### 3. SHORT-TERM INVESTMENTS

Short-term investments comprise the following:

	2015	2014
High interest savings accounts	\$ 380,362	\$ 151,078
Guaranteed investment certificates	<u>51,479</u>	<u>203,956</u>
	<u>\$ 431,841</u>	<u>\$ 355,034</u>

Short-term investments are issued by major a Canadian chartered bank. Guaranteed investment certificates bear interest at rates ranging from 1.50% to 2.00% and have maturity dates ranging from January 2016 to January 2018.

### 4. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2015 Net	2014 Net
Leasehold improvements	\$ 504,358	\$ (200,000)	\$ 304,358	\$ 404,358
Appliances	27,461	(11,000)	16,461	21,961
Furniture and equipment	<u>72,920</u>	<u>(62,587)</u>	<u>10,333</u>	<u>16,133</u>
	<u>\$ 604,739</u>	<u>\$ (273,587)</u>	<u>\$ 331,152</u>	<u>\$ 442,452</u>



# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015

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### 5. DESIGNATED NET ASSETS

Designated net assets are restricted for contingency purposes.

### 6. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at the year end:

	2015	2014
Donations	\$ 75,000	\$ 100,000
United Way of Greater Toronto (UWGT)		
Success by Six	21,603	21,604
Toronto Children's Services	2,565	2,639
Ontario Trillium Foundation	<u>-</u>	<u>17,322</u>
Deferred contributions, end of year	<u>\$ 99,168</u>	<u>\$ 141,565</u>

Continuity of deferred contributions for the year is as follows:

	2015	2014
Deferred contributions, beginning of year	\$ 141,565	\$ 129,158
Amounts reclassified to deferred relocation contributions (note 7)	(3,055)	-
Cash received from UWGT Success by Six, Toronto Children's Services and Ontario Trillium Foundation	62,943	114,516
UWGT Success by Six, and Toronto Children's Services revenue recognized (notes 9 and 10)	<u>(102,285)</u>	<u>(102,109)</u>
Deferred contributions, end of year	<u>\$ 99,168</u>	<u>\$ 141,565</u>

### 7. DEFERRED RELOCATION CONTRIBUTIONS

Prior to 2014, the organization received contributions for the purpose of funding costs associated with relocation to its current space. This funding was initially deferred and is recognized as revenue as relocation expenses are incurred. The continuity of deferred relocation contributions for the year is as follows:

	2015	2014
Deferred relocation contributions, beginning of year	\$ 49,816	\$ 127,329
Amounts reclassified to deferred capital contributions (note 8)	-	(47,790)
Amounts reclassified from (to) deferred contributions (note 6)	3,055	(17,322)
Less deferred relocation contributions recognized (note 11)	<u>(8,914)</u>	<u>(12,401)</u>
Deferred relocation contributions, end of year	<u>\$ 43,957</u>	<u>\$ 49,816</u>

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

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### 8. DEFERRED CAPITAL CONTRIBUTIONS

Capital contributions from the following sources have been deferred at year end:

	2015	2014
Ontario Trillium Foundation	\$ 137,878	\$ 184,078
Matching funds:		
Foundations, corporations and individuals	122,878	164,078
City of Toronto	<u>15,000</u>	<u>20,000</u>
Total matching funds	<u>137,878</u>	<u>184,078</u>
Other	<u>55,396</u>	<u>74,296</u>
Deferred capital contributions, end of year	<u>\$ 331,152</u>	<u>\$ 442,452</u>

Continuity of deferred capital contributions for the year is as follows:

	2015	2014
Deferred capital contributions, beginning of year	\$ 442,452	\$ 466,722
Amounts reclassified from deferred relocation contributions (note 7)	-	47,790
Capital contributions received	-	39,240
Less capital contribution revenue recognized (note 12)	<u>(111,300)</u>	<u>(111,300)</u>
Deferred capital contributions, end of year	<u>\$ 331,152</u>	<u>\$ 442,452</u>

### 9. GOVERNMENT FUNDING

Government funding recognized in the year is as follows:

	2015	2014
Ontario Early Years Centre (OEYC)		
Ontario Ministry of Education	\$ 605,710	\$ 454,285
Ontario Ministry of Children and Youth Services	-	151,425
City of Toronto		
Investing in Neighbourhoods Subsidies	61,930	52,322
Toronto Children's Services (note 6)	10,872	10,696
Human Resources and Skills Development Canada	<u>23,935</u>	<u>24,650</u>
	<u>\$ 702,447</u>	<u>\$ 693,378</u>

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

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### 10. UNITED WAY OF GREATER TORONTO FUNDING

United Way of Greater Toronto funding for the year is as follows:

Member Allocation	\$ 134,440	\$ 134,420
Success by Six (note 6)	86,413	86,413
One-time (note 6)	<u>5,000</u>	<u>5,000</u>
	<u>\$ 225,853</u>	<u>\$ 225,833</u>

### 11. OTHER CONTRIBUTIONS

Other contribution revenue recognized in the year is as follows:

OEYC partners	\$ 15,891	\$ 16,864
Deferred relocation contributions recognized (note 7)	8,914	12,401
Other	<u>3,000</u>	<u>1,495</u>
	<u>\$ 27,805</u>	<u>\$ 30,760</u>

### 12. CAPITAL CONTRIBUTIONS RECOGNIZED

Capital contributions recognized in the year are as follows:

	2015	2014
Ontario Trillium Foundation	\$ 46,200	\$ 46,200
Matching funds:		
Foundations, corporations and individuals	41,200	41,200
City of Toronto	5,000	5,000
Other	<u>18,900</u>	<u>18,900</u>
	<u>\$ 111,300</u>	<u>\$ 111,300</u>

### 13. OCCUPANCY COSTS

Occupancy costs for the year are as follows:

	2015	2014
Rent:		
Program	\$ 68,354	\$ 65,164
Administration	14,579	18,025
Repair and maintenance and other	<u>11,240</u>	<u>3,985</u>
	<u>\$ 94,173</u>	<u>\$ 87,174</u>

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# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

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### 14. LEASE COMMITMENTS

The organization leases program and office space. Minimum lease payments over the term of the lease are as follows:

2016	\$ 96,395
2017	100,733
2018	105,266