

COLLEGE-MONTROSE CHILDREN'S PLACE

(a charitable organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013

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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, 2013, 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, 2013, 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.

Respectfully submitted,


CHARTERED PROFESSIONAL ACCOUNTANTS.

Licensed Public Accountants.

Toronto, Ontario.
June 11, 2014.

COLLEGE-MONTROSE CHILDREN'S PLACE

(a charitable organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2013

	2013	2012
ASSETS		
Current		
Cash	\$ -	\$ 90,305
Temporary investments	285,720	330,121
Grants receivable	73,717	34,863
Accounts receivable	3,818	12,995
Prepaid expenses and sundry assets	<u>79,975</u>	<u>35,063</u>
	443,230	503,347
Capital - at cost less accumulated amortization (note 3)	<u>461,531</u>	<u>4,399</u>
	<u>\$ 904,761</u>	<u>\$ 507,746</u>
LIABILITIES		
Current		
Bank indebtedness	\$ 29,030	\$ -
Accounts payable and accrued liabilities	114,197	46,534
Withholding taxes payable	13,778	14,635
Deferred revenue (note 4)	129,158	301,656
Current portion of capital contributions from funders (note 5)	<u>51,961</u>	<u>855</u>
	338,124	363,680
Capital contributions from funders (note 5)	<u>409,531</u>	<u>3,303</u>
	<u>747,655</u>	<u>366,983</u>
NET ASSETS		
Net assets internally restricted for general purposes	106,845	90,502
Unrestricted net assets	<u>50,261</u>	<u>50,261</u>
	<u>157,106</u>	<u>140,763</u>
	<u>\$ 904,761</u>	<u>\$ 507,746</u>

Approved on behalf of the Board:

Karen Craine Director

VT Stelmach 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, 2013

	Restricted for general purposes	Unrestricted	2013 Total	2012 Total
BALANCE - Beginning of year	\$ 90,502	\$ 50,261	\$ 140,763	\$ 140,703
- Excess of revenues over expenses	<u>16,343</u>	<u>-</u>	<u>16,343</u>	<u>60</u>
BALANCE - End of year	\$ <u>106,845</u>	\$ <u>50,261</u>	\$ <u>157,106</u>	\$ <u>140,763</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, 2013

	2013	2012
REVENUES (note 6)		
Ministry of Children and Youth Services	\$ 605,710	\$ 605,710
United Way of Greater Toronto	333,893	220,117
Donations	124,061	24,856
City of Toronto	68,047	60,548
Fundraising	52,627	53,654
Foundations and other organizations	48,295	17,850
Other agencies	28,940	15,477
Human Resources and Skills Development Canada	23,655	23,737
Interest and sundry	<u>7,176</u>	<u>5,016</u>
Total revenues	1,292,404	1,026,965
Deduct - Deferred revenue (note 4)	<u>172,498</u>	<u>(58,496)</u>
Current year revenues	<u>1,464,902</u>	<u>968,469</u>
EXPENSES		
Salaries	534,043	557,133
Relocation expenses	474,389	-
Payments to partners	152,551	152,551
Employee benefits	135,804	121,515
Program expenses	78,755	74,480
Professional fees	31,639	24,808
Administration expenses	24,959	21,076
Fundraising expenses	14,223	15,373
Staff travel and development	1,989	766
Contracted services	<u>207</u>	<u>707</u>
	<u>1,448,559</u>	<u>968,409</u>
EXCESS OF REVENUES OVER EXPENSES	16,343	60
Transfer to reserve	<u>(16,343)</u>	<u>(60)</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, 2013

	2013	2012
Cash flow from operating activities:		
Excess of revenues over expenses	\$ <u>16,343</u>	\$ <u>60</u>
Adjustments for:		
Amortization of capital assets	<u>202</u>	<u>291</u>
Changes in non-cash working capital:		
(Increase) decrease in grants receivable	(38,854)	2,777
(Increase) decrease in temporary investments	44,401	(101,767)
(Increase) decrease in accounts receivable	9,177	(11,368)
Increase in prepaid expenses and sundry assets	(44,912)	(5,379)
Increase (decrease) in deferred revenue	(172,498)	58,496
Increase (decrease) in accounts payable and accrued liabilities	<u>66,806</u>	<u>(9,894)</u>
	<u>(135,880)</u>	<u>(67,135)</u>
Cash flow from operating activities:	<u>119,335</u>	<u>(66,784)</u>
Net decrease in cash and cash equivalents	(119,335)	(66,784)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>90,305</u>	<u>157,089</u>
CASH AND CASH EQUIVALENTS - End of year	\$ <u>(29,030)</u>	\$ <u>90,305</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, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit organizations in Part III of the CICA Handbook.

(a) 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.

(b) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid bank accounts and marketable investments with an original maturity date of 90 days or less.

(c) GRANTS RECEIVABLE

Receipts for all grants are recorded in these financial statements on the accrual basis. Therefore, the amounts recorded in these financial statements may or may not correspond to the actual amounts received during the fiscal year.

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COLLEGE-MONTROSE CHILDREN'S PLACE

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

...Continued

(d) AMORTIZATION

Amortization of the capital assets has been provided at the following annual rates, consistent with those of the prior year:

Leaseholds	- 10 year straight-line basis
Furniture and equipment	- 5 year straight-line basis, and 20% of unamortized cost
Automotive	- 30% of unamortized cost
Appliances	- 5 year straight-line basis

(e) AMORTIZATION ON CAPITAL CONTRIBUTIONS FROM FUNDERS

Funds received for the acquisition of capital assets are deferred in the accounts and amortized on the same basis as the related capital assets.

(f) CONTRIBUTED MATERIALS AND SERVICES

The organization does not account for contributed materials and services.

(g) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting standards for not-for-profit organizations requires the organization's management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from these estimates.

(h) REVENUE RECOGNITION

The organization uses the deferral method in accounting for contributions. Accordingly, contributions subject to externally imposed restrictions are initially recorded as deferred revenue and are subsequently recognized as revenue in the period in which the related expenses are incurred.

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COLLEGE-MONTROSE CHILDREN'S PLACE

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

...Continued

(i) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, temporary investments, grants receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue and capital contributions from funders.

2. FINANCIAL INSTRUMENTS

(a) Liquidity Risk

Liquidity risk is a risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization is exposed to liquidity risk arising primarily from the requirement to pay its payables and government remittances. The organization's ability to meet these obligations depends on the receipt of funds from its operations, which it monitors closely.

(b) Other Risks

The organization believes that it is not exposed to significant interest, currency, credit, market or other price risks arising from holding financial instruments.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2013 Net	2012 Net
Leaseholds	\$ 421,635	\$ 7,027	\$ 414,608	\$ -
Furniture and equipment	68,297	48,423	19,874	3,677
Automotive	29,193	28,689	504	722
Appliances	<u>27,460</u>	<u>915</u>	<u>26,545</u>	<u>-</u>
	\$ <u>546,585</u>	\$ <u>85,054</u>	\$ <u>461,531</u>	\$ <u>4,399</u>

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COLLEGE-MONTROSE CHILDREN'S PLACE

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

...Continued

4. 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
Deferred per funding period:			
Donations	\$ 100,000	\$ 100,000	\$ -
United Way - Success by Six	21,604	-	21,604
United Way - One time	5,000	5,000	-
City of Toronto - Children's Services	<u>2,554</u>	<u>72</u>	<u>2,482</u>
	<u>129,158</u>	<u>105,072</u>	<u>24,086</u>
Deferred - Relocation Fund:			
Interest and sundry	-	(3,361)	3,361
Foundations	-	(93,366)	93,366
Fundraising	-	(67,910)	67,910
Donations	-	(70,468)	70,468
United Way - Member Allocation	-	(23,700)	23,700
Ministry of Children and Youth Services - Early Years Centre Development	<u>-</u>	<u>(18,765)</u>	<u>18,765</u>
	<u>-</u>	<u>(277,570)</u>	<u>277,570</u>
TOTAL	\$ <u>129,158</u>	\$ <u>(172,498)</u>	\$ <u>301,656</u>

Continued...

COLLEGE-MONTROSE CHILDREN'S PLACE

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NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013

5. CAPITAL CONTRIBUTIONS FROM FUNDERS

Deferred capital contributions from funders represents the unamortized amount of contributions received for the purchase of capital assets. The changes in deferred capital contributions from funders are as follows:

	2013	2012
Balance - Beginning of year	\$ 4,158	\$ 5,283
Received during the year	466,719	-
Amortization of capital contributions	<u>(9,385)</u>	<u>(1,125)</u>
Balance - End of year	\$ <u>461,492</u>	\$ <u>4,158</u>

6. FUNDING DETAILS

	2013	2012
Ministry of Children and Youth Services		
Early Years Centre	\$ <u>605,710</u>	\$ <u>605,710</u>
United Way of Greater Toronto		
Member Allocation	\$ 139,480	\$ 133,704
Special Gifts	108,000	-
Success By Six	<u>86,413</u>	<u>86,413</u>
	\$ <u>333,893</u>	\$ <u>220,117</u>
City of Toronto		
Investing in Neighbourhoods Subsidies	\$ 57,760	\$ 48,297
Children's Services	<u>10,287</u>	<u>12,251</u>
	\$ <u>68,047</u>	\$ <u>60,548</u>
Foundations and Corporations		
Ontario Trillium Foundation	33,295	-
C.S.T. Consultants Inc.	10,000	6,000
CHUM Charitable Foundation	5,000	4,500
The McLean Foundation	-	5,000
Other	<u>-</u>	<u>2,350</u>
	\$ <u>48,295</u>	\$ <u>17,850</u>