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**COLLEGE-MONTROSE CHILDREN'S  
PLACE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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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, 2016, 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, 2016, 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, 2017  
Toronto, Ontario

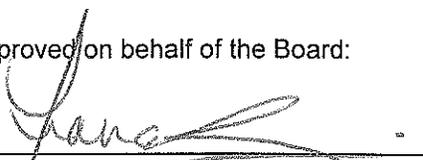
**COLLEGE-MONTROSE CHILDREN'S PLACE**

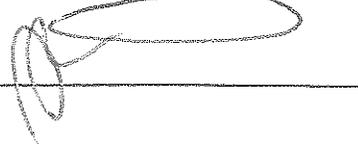
**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2016**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 206,924	\$ 7,441
Short-term investments (note 3)	335,062	431,841
Grants receivable	5,736	12,262
Other amounts receivable	3,951	7,369
HST rebate recoverable	10,249	42,401
Prepaid expenses	<u>21,914</u>	<u>22,534</u>
	583,836	523,848
Long-term assets		
Capital assets (note 4)	<u>219,852</u>	<u>331,152</u>
	<u>\$ 803,688</u>	<u>\$ 855,000</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 75,085	\$ 75,195
Payroll source deductions payable	4,386	2,961
Deferred contributions (note 6)	71,603	99,168
Deferred relocation contributions (note 7)	<u>31,712</u>	<u>43,957</u>
	182,786	221,281
Long-term liabilities		
Deferred capital contributions (note 8)	<u>219,852</u>	<u>331,152</u>
Total liabilities	<u>402,638</u>	<u>552,433</u>
Net assets		
Unrestricted	294,205	195,722
Designated (note 5)	<u>106,845</u>	<u>106,845</u>
	<u>401,050</u>	<u>302,567</u>
	<u>\$ 803,688</u>	<u>\$ 855,000</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, 2016**

	<b>2016</b>			<b>2015</b>
	Designated	Unrestricted	Total	Total
Net assets, beginning of year	\$ 106,845	\$ 195,722	\$ 302,567	\$ 275,025
Excess of revenue over expenses for the year	<u>-</u>	<u>98,483</u>	<u>98,483</u>	<u>27,542</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 106,845</u>	<u>\$ 294,205</u>	<u>\$ 401,050</u>	<u>\$ 302,567</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>REVENUE</b>		
Contributions		
Government funding (note 9)	\$ 705,806	\$ 702,447
United Way Toronto & York Region (note 10)	220,833	225,853
Capital contributions recognized (note 12)	111,300	111,300
Donations	85,417	43,659
Other (note 11)	30,018	27,805
Fundraising	158,530	97,728
Interest	<u>3,307</u>	<u>4,328</u>
	<u>1,315,211</u>	<u>1,213,120</u>
<b>EXPENSES</b>		
Personnel	698,581	696,737
Payments to partners	152,551	149,993
Occupancy (note 13)	105,801	94,173
Program	45,648	57,476
Professional fees	38,978	38,973
Fundraising	31,080	8,333
Administration	30,587	25,321
Staff travel and development	2,202	3,272
Amortization	<u>111,300</u>	<u>111,300</u>
	<u>1,216,728</u>	<u>1,185,578</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<u>\$ 98,483</u>	<u>\$ 27,542</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 98,483	\$ 27,542
Add back non-cash items -		
Amortization of capital assets	111,300	111,300
Capital contributions recognized in year	(111,300)	(111,300)
Net change in non-cash working capital items (see below)	<u>4,221</u>	<u>15,099</u>
Net cash generated from operating activities	<u>102,704</u>	<u>42,641</u>
<b>INVESTING ACTIVITIES</b>		
Redemption (purchase) of short-term investments	<u>96,779</u>	<u>(76,807)</u>
<b>NET CASH GENERATED (USED) IN THE YEAR</b>	199,483	(34,166)
Cash, beginning of year	<u>7,441</u>	<u>41,607</u>
<b>CASH, END OF YEAR</b>	<u>\$ 206,924</u>	<u>\$ 7,441</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Grants receivable	\$ 6,526	\$ 33,355
Other amounts receivable	3,418	13,007
HST rebate recoverable	32,152	42,629
Prepaid expenses	620	202
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(110)	(2,653)
Payroll source deductions payable	1,425	(23,185)
Deferred contributions	(27,565)	(42,397)
Deferred relocation contributions	<u>(12,245)</u>	<u>(5,859)</u>
	<u>\$ 4,221</u>	<u>\$ 15,099</u>

see accompanying notes

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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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 are recorded as revenue when received.

##### *Contributed materials and services*

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

##### *Fundraising*

Fundraising revenue includes event ticket sales and sponsorships. Event ticket sales and sponsorship revenue are recorded in the same period as the related event takes place.

##### *Interest*

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

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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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:

	2016	2015
High interest savings accounts	\$ 282,679	\$ 380,362
Guaranteed investment certificates	<u>52,383</u>	<u>51,479</u>
	<u>\$ 335,062</u>	<u>\$ 431,841</u>

Short-term investments are issued by major Canadian chartered banks. Guaranteed investment certificates bear interest at rates ranging from 1.00% to 2.00% and have maturity dates ranging from January 2017 to January 2018.

### 4. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2016 Net	2015 Net
Leasehold improvements	\$ 504,358	\$ (300,000)	\$ 204,358	\$ 304,358
Appliances	27,461	(16,500)	10,961	16,461
Furniture and equipment	<u>72,920</u>	<u>(68,387)</u>	<u>4,533</u>	<u>10,333</u>
	<u>\$ 604,739</u>	<u>\$ (384,887)</u>	<u>\$ 219,852</u>	<u>\$ 331,152</u>

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# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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### 5. DESIGNATED NET ASSETS

Designated net assets are internally restricted for contingency purposes.

### 6. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at the year end:

	2016	2015
Donations	\$ 50,000	\$ 75,000
United Way Toronto & York Region (UWTYR)		
Success by Six	21,603	21,603
Toronto Children's Services	<u>-</u>	<u>2,565</u>
Deferred contributions, end of year	<u>\$ 71,603</u>	<u>\$ 99,168</u>

Continuity of deferred contributions for the year is as follows:

	2016	2015
Deferred contributions, beginning of year	\$ 99,168	\$ 141,565
Amounts reclassified to deferred relocation contributions (note 7)	-	(3,055)
Cash received from UWTYR Success by Six and Toronto Children's Services	70,234	57,943
UWTYR Success by Six, and Toronto Children's Services revenue recognized (notes 9 and 10)	<u>(97,799)</u>	<u>(97,285)</u>
Deferred contributions, end of year	<u>\$ 71,603</u>	<u>\$ 99,168</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:

	2016	2015
Deferred relocation contributions, beginning of year	\$ 43,957	\$ 49,816
Amounts reclassified from deferred contributions (note 6)	-	3,055
Less deferred relocation contributions recognized (note 11)	<u>(12,245)</u>	<u>(8,914)</u>
Deferred relocation contributions, end of year	<u>\$ 31,712</u>	<u>\$ 43,957</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:

	2016	2015
Ontario Trillium Foundation	<u>\$ 91,678</u>	<u>\$ 137,878</u>
Matching funds:		
Foundations, corporations and individuals	81,678	122,878
City of Toronto	<u>10,000</u>	<u>15,000</u>
Total matching funds	<u>91,678</u>	<u>137,878</u>
Other	<u>36,496</u>	<u>55,396</u>
Deferred capital contributions, end of year	<u>\$ 219,852</u>	<u>\$ 331,152</u>

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

	2016	2015
Deferred capital contributions, beginning of year	\$ 331,152	\$ 442,452
Less capital contribution revenue recognized (note 12)	<u>(111,300)</u>	<u>(111,300)</u>
Deferred capital contributions, end of year	<u>\$ 219,852</u>	<u>\$ 331,152</u>

### 9. GOVERNMENT FUNDING

Government funding recognized in the year is as follows:

	2016	2015
Ontario Early Years Centre (OEYC)		
Ontario Ministry of Education	\$ 605,710	\$ 605,710
City of Toronto		
Investing in Neighbourhoods Subsidies	50,404	61,930
Toronto Children's Services (note 6)	11,386	10,872
Human Resources and Skills Development Canada	<u>38,306</u>	<u>23,935</u>
	<u>\$ 705,806</u>	<u>\$ 702,447</u>

# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

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### 10. UNITED WAY TORONTO & YORK REGION FUNDING

United Way Toronto & York Region funding for the year is as follows:

Member Allocation	\$ 134,420	\$ 134,440
Success by Six (note 6)	86,413	86,413
One-time (note 6)	<u>-</u>	<u>5,000</u>
	<u>\$ 220,833</u>	<u>\$ 225,853</u>

### 11. OTHER CONTRIBUTIONS

Other contribution revenue recognized in the year is as follows:

OEYC partners	\$ 14,773	\$ 15,891
Deferred relocation contributions recognized (note 7)	12,245	8,914
Other	<u>3,000</u>	<u>3,000</u>
	<u>\$ 30,018</u>	<u>\$ 27,805</u>

### 12. CAPITAL CONTRIBUTIONS RECOGNIZED

Capital contributions recognized in the year are as follows:

	2016	2015
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:

	2016	2015
Rent:		
Program	\$ 72,630	\$ 68,354
Administration	18,103	14,579
Repair and maintenance and other	<u>15,068</u>	<u>11,240</u>
	<u>\$ 105,801</u>	<u>\$ 94,173</u>

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# COLLEGE-MONTROSE CHILDREN'S PLACE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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### 14. LEASE COMMITMENTS

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

2017	\$ 111,000
2018	116,000
2019	121,000
2020	126,000
2021	131,000