
**COLLEGE-MONTROSE
CHILDREN'S PLACE**

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of College-Montrose Children's Place,

Opinion

We have audited the financial statements of College-Montrose Children's Place (the organization), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of College-Montrose Children's Place as at December 31, 2020 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

June 10, 2021
Toronto, Ontario

COLLEGE-MONTROSE CHILDREN'S PLACE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

| | 2020 | 2019 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 337,594 | \$ 356,482 |
| Short-term investments (note 3) | 247,460 | 245,242 |
| Amounts receivable | 30,544 | 41,405 |
| HST rebate recoverable | 10,075 | 9,958 |
| Prepaid expenses | <u>38,758</u> | <u>26,622</u> |
| Total assets | <u>\$ 664,431</u> | <u>\$ 679,709</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 121,836 | \$ 83,416 |
| Payroll source deductions payable | 16,087 | 14,207 |
| Deferred contributions (note 4) | <u>45,758</u> | <u>125,812</u> |
| Total liabilities | <u>183,681</u> | <u>223,435</u> |
| Net assets | | |
| Unrestricted | 116,750 | 92,274 |
| Internally restricted (note 5) | <u>364,000</u> | <u>364,000</u> |
| Total net assets | <u>480,750</u> | <u>456,274</u> |
| | <u>\$ 664,431</u> | <u>\$ 679,709</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, 2020

| | | | 2020 | 2019 |
|---|--------------------------|-------------------|-------------------|-------------------|
| | Internally Restricted | Unrestricted | Total | Total |
| Net assets, beginning of year | \$ 364,000 | \$ 92,274 | \$ 456,274 | \$ 443,047 |
| Excess of revenue over expenses for the year | <u>-</u> | <u>24,476</u> | <u>24,476</u> | <u>13,227</u> |
| NET ASSETS, END OF YEAR | <u>\$ 364,000</u> | <u>\$ 116,750</u> | <u>\$ 480,750</u> | <u>\$ 456,274</u> |

see accompanying notes

COLLEGE-MONTROSE CHILDREN'S PLACE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

| | 2020 | 2019 |
|---|------------------|------------------|
| REVENUE | | |
| Contributions | | |
| Government funding (note 6) | \$ 775,806 | \$ 755,729 |
| United Way Greater Toronto (UWGT) (note 7) | 251,083 | 210,833 |
| Corporate and foundations | 46,751 | 22,500 |
| Individual donations | 38,344 | 53,378 |
| Canada Emergency Wage Subsidy | 101,718 | - |
| Fundraising and other | 28,553 | 123,436 |
| Interest | <u>2,593</u> | <u>5,524</u> |
| | <u>1,244,848</u> | <u>1,171,400</u> |
| EXPENSES | | |
| Personnel | 717,380 | 817,640 |
| Payments to partners | 166,033 | 102,902 |
| Program | 152,588 | 45,085 |
| Occupancy (note 8) | 119,451 | 115,620 |
| Professional fees | 33,896 | 31,220 |
| Administration | 26,514 | 28,707 |
| Staff travel and development | 3,330 | 6,196 |
| Fundraising | <u>1,180</u> | <u>10,803</u> |
| | <u>1,220,372</u> | <u>1,158,173</u> |
| EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR | <u>\$ 24,476</u> | <u>\$ 13,227</u> |

see accompanying notes

COLLEGE-MONTROSE CHILDREN'S PLACE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

| | 2020 | 2019 |
|--|--------------------------|--------------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenue over expenses for the year | \$ 24,476 | \$ 13,227 |
| Net change in non-cash working capital items (see below) | <u>(41,146)</u> | <u>(15,737)</u> |
| Net cash used for operating activities | (16,670) | (2,510) |
| INVESTING ACTIVITIES | | |
| Purchase of short-term investments | <u>(2,218)</u> | <u>(3,658)</u> |
| NET DECREASE IN CASH FOR THE YEAR | (18,888) | (6,168) |
| Cash, beginning of year | <u>356,482</u> | <u>362,650</u> |
| CASH, END OF YEAR | <u><u>\$ 337,594</u></u> | <u><u>\$ 356,482</u></u> |

Net change in non-cash working capital items:

| | | |
|--|---------------------------|---------------------------|
| Decrease (increase) in current assets | | |
| Amounts receivable | \$ 10,861 | \$ (32,880) |
| HST rebate recoverable | (117) | 12,162 |
| Prepaid expenses | (12,136) | (2,467) |
| Increase (decrease) in current liabilities | | |
| Accounts payable and accrued liabilities | 38,420 | 31,266 |
| Payroll source deductions payable | 1,880 | 13,277 |
| Deferred contributions | <u>(80,054)</u> | <u>(37,095)</u> |
| | <u><u>\$ (41,146)</u></u> | <u><u>\$ (15,737)</u></u> |

see accompanying notes

COLLEGE-MONTROSE CHILDREN'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

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.

Canada Emergency Wage Subsidy

Canada Emergency Wage Subsidy is recognized as revenue in the period it relates to.

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, 2020

2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, short-term investments, amounts receivable, accounts payable and accrued liabilities. Short-term investments comprise guaranteed investment certificates and a high interest savings account. Guaranteed investment certificates are recorded at cost plus accrued interest income, which approximates fair value. 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.

3. SHORT-TERM INVESTMENTS

Short-term investments comprise the following:

| | 2020 | 2019 |
|------------------------------------|-------------------|-------------------|
| High interest savings account | \$ 191,824 | \$ 190,530 |
| Guaranteed investment certificates | <u>55,636</u> | <u>54,712</u> |
| | <u>\$ 247,460</u> | <u>\$ 245,242</u> |

Guaranteed investment certificates, which are issued and held by a major Canadian credit union, bear interest at rates ranging from 1.40% to 1.60% and mature in January 2021.

4. DEFERRED CONTRIBUTIONS

Deferred contributions at year end are as follows:

| | 2020 | 2019 |
|--|------------------|-------------------|
| City of Toronto | | |
| Toronto Children's Services (TCS) Safe Restart Funding | \$ 45,758 | \$ - |
| EarlyON | - | 120,461 |
| Other | <u>-</u> | <u>5,351</u> |
| | <u>\$ 45,758</u> | <u>\$ 125,812</u> |

Continuity of deferred contributions for the year is as follows:

| | 2020 | 2019 |
|---|------------------|-------------------|
| Deferred contributions, beginning of year | \$ 125,812 | \$ 162,908 |
| Amounts received from TCS | 695,752 | 667,059 |
| City of Toronto funding recognized as revenue (notes 6 and 7) | <u>(775,806)</u> | <u>(704,155)</u> |
| Deferred contributions, end of year | <u>\$ 45,758</u> | <u>\$ 125,812</u> |

5. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors established internally restricted net assets for contingency purposes. The Board has set a goal of a minimum of three months of operating expenses for these net assets.

COLLEGE-MONTROSE CHILDREN'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

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6. GOVERNMENT FUNDING

Government funding recognized in the year is as follows:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| City of Toronto | | |
| Toronto Children's Services (note 4) | \$ 574,797 | \$ 630,050 |
| One-time grant | 121,682 | - |
| Investing in Neighbourhoods Subsidies | 38,103 | 62,038 |
| Health and Safety funding | 10,280 | 12,067 |
| Employment and Social Development Canada | <u>30,944</u> | <u>51,574</u> |
| | <u>\$ 775,806</u> | <u>\$ 755,729</u> |

7. UNITED WAY GREATER TORONTO FUNDING

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

| | 2020 | 2019 |
|-----------------------------------|-------------------|-------------------|
| Community Services Sector Program | \$ 210,833 | \$ 210,833 |
| Resilient Community Fund | <u>40,250</u> | <u>-</u> |
| | <u>\$ 251,083</u> | <u>\$ 210,833</u> |

8. OCCUPANCY COSTS

Occupancy costs for the year are as follows:

| | 2020 | 2019 |
|-------------------------|-------------------|-------------------|
| Rent | \$ 114,514 | \$ 115,308 |
| Repairs and maintenance | <u>4,937</u> | <u>312</u> |
| | <u>\$ 119,451</u> | <u>\$ 115,620</u> |

9. LEASE COMMITMENT

The organization leases program and office space in Toronto, Ontario. Minimum annual payments (including rent and property taxes) over the term of the lease, which expires on December 31, 2023 are as follows:

| | |
|------|------------|
| 2021 | \$ 136,000 |
| 2022 | 141,000 |
| 2023 | 146,000 |