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**THE TORONTO MILITARY FAMILY  
RESOURCE CENTRE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2009**

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**AUDITORS' REPORT**

To the Members,  
The Toronto Military Family Resource Centre

We have audited the statement of financial position of The Toronto Military Family Resource Centre as at March 31, 2009 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Cowperthwaite Mehta*

Chartered Accountants  
Licensed Public Accountants

May 12, 2009  
Toronto, Ontario

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2009

	2009	2008
<b>ASSETS</b>		
Current assets		
Cash	\$ 202,345	\$ 148,547
Short-term investments	42,975	12,682
Accounts receivable (note 4)	<u>9,412</u>	<u>23,052</u>
	254,732	184,281
Capital assets (note 5)	<u>7,998</u>	<u>11,997</u>
	<u>\$ 262,730</u>	<u>\$ 196,278</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 40,135	\$ 33,451
DMFS repayable grants (note 6)	33,458	
Deferred revenue (note 7)	<u>28,202</u>	<u>13,867</u>
	101,795	47,318
Deferred capital grants	<u>7,997</u>	<u>11,996</u>
	<u>109,792</u>	<u>59,314</u>
Net assets		
Invested in capital assets	1	1
Contingency fund (note 8)	<u>152,937</u>	<u>136,963</u>
	152,938	136,964
	<u>\$ 262,730</u>	<u>\$ 196,278</u>

Approved on behalf of the Board:

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

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

see accompanying notes

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2009

			2009	2008
	Resource Centre	Playgarden Childcare Centre	Total	Total
<b>REVENUE</b>				
Government funding (note 9)	\$ 419,513	\$ 202,794	\$ 622,307	\$ 625,954
Program and parent fees	38,590	322,045	360,635	314,962
Fundraising and other	<u>35,540</u>	<u>2,913</u>	<u>38,453</u>	<u>9,833</u>
	<u>493,643</u>	<u>527,752</u>	<u>1,021,395</u>	<u>950,749</u>
<b>EXPENSES</b>				
Salaries and benefits	401,421	523,891	925,312	884,742
Administration	14,240	3,700	17,940	21,031
Professional fees	8,053	8,053	16,106	6,684
Food and related supplies		12,775	12,775	12,245
Personal development and community program	9,208		9,208	12,699
Program supplies and equipment		4,303	4,303	5,376
Family separation and reunion program	4,212		4,212	5,394
Site specific service	3,381		3,381	1,647
Children and youth	3,280		3,280	10,116
Intervention and prevention	2,772		2,772	3,002
Volunteer services	1,186		1,186	1,529
Information/referral	947		947	4,463
Amortization		<u>3,999</u>	<u>3,999</u>	<u>3,999</u>
	<u>448,700</u>	<u>556,721</u>	<u>1,005,421</u>	<u>972,927</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	44,943	(28,969)	15,974	(22,178)
Net assets, beginning of year	<u>62,609</u>	<u>74,355</u>	<u>136,964</u>	<u>159,142</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 107,552</u>	<u>\$ 45,386</u>	<u>\$ 152,938</u>	<u>\$ 136,964</u>

see accompanying notes

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2009

	<b>2009</b>	<b>2008</b>
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses for the year	\$ 15,974	\$ (22,178)
Add back (deduct) non-cash items-		
Amortization of capital assets	3,999	3,999
Amortization of capital grant	(3,999)	(3,999)
Net change in working capital items (see below)	<u>68,117</u>	<u>3,103</u>
Net cash generated from (used for) operations	84,091	(19,075)
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	<u>(30,293)</u>	<u>(410)</u>
<b>NET INCREASE IN CASH IN THE YEAR</b>	53,798	(19,485)
Cash, beginning of year	<u>148,547</u>	<u>168,032</u>
<b>CASH, END OF YEAR</b>	<u>\$ 202,345</u>	<u>\$ 148,547</u>
Net change in working capital items:		
Decrease (increase) in accounts receivable	\$ 13,640	\$ (5,549)
Decrease in prepaid expenses		9,597
Increase in accounts payable and accrued liabilities	6,684	27,250
Increase (decrease) in deferred revenue	14,335	(28,195)
Increase in DMFS repayable grants	<u>33,458</u>	<u>          </u>
	<u>\$ 68,117</u>	<u>\$ 3,103</u>

see accompanying notes

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2009

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### 1. THE ORGANIZATION

The Toronto Military Family Resource Centre (the "organization") is incorporated in the Province of Ontario as a not-for-profit corporation without share capital.

The organization provides a variety of child and family services to families of the Canadian Forces in the greater Toronto area. The childcare centre provides comprehensive childcare programs for up to 49 children from the ages of six weeks to five years.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant:

#### **Investments**

Short-term investments are classified as held-for-trading based on management's intention to have the funds available for working capital requirements. Unrealized and realized gains and losses are recognized as revenue in the period they arise.

#### **Capital Assets**

Equipment and furniture is capitalized and charged to operations on a straight line basis over five years.

#### **Revenue Recognition**

The organization follows the deferral method of revenue recognition. Its principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Government grants related to current expenditures are reflected in the accounts as a revenue item in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred revenue. Grants related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.
- ii) Child care fees consist of direct payments from parents and fees subsidized by Toronto Children's Services. Fee revenue is recognized in the period the child care services are provided.
- iii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.

#### **Use of Estimates**

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2009

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### 3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The organization's financial instruments consist of cash, short-term investments comprising guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities. The carrying value of accounts receivable and accounts payable and accrued liabilities approximates their fair value because of the short-term nature of these instruments. The fair values of investments held-for-trading are recorded at cost, plus accrued interest income, which management believes approximates the fair value of these instruments.

It is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

The organization manages its liquidity risk by monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

### 4. ACCOUNTS RECEIVABLE

Accounts receivable is composed of the following:

	2009	2008
Government funding receivable	\$ 7,607	\$ 13,290
GST recoverable	1,163	1,539
Parent fees receivable	<u>642</u>	<u>8,223</u>
	<u>\$ 9,412</u>	<u>\$ 23,052</u>

### 5. CAPITAL ASSETS

Capital assets, recorded at cost, are as follows:

	Cost	Accumulated Amortization	2009 Net	2008 Net
Playground equipment	<u>\$ 15,996</u>	<u>\$ (7,998)</u>	<u>\$ 7,998</u>	<u>\$ 11,997</u>

### 6. DMFS REPAYABLE GRANTS

Director of Military and Family Services ("DMFS") repayable grants of \$33,458 at March 31, 2009 represent funding received from DMFS that had not been spent at the year end and that must be repaid to DMFS as a reduction in next year's funding under conditions of the funding agreement.

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2009

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### 7. DEFERRED REVENUE

Deferred revenue is composed of the following:

	2009	2008
National Youth Initiatives Program	\$ 24,750	\$ 13,867
DMFS funding	<u>3,452</u>	<u>nil</u>
	<u>\$ 28,202</u>	<u>\$ 13,867</u>

Continuity of deferred revenue for the year is as follows:

Deferred revenue, beginning of year	\$ 13,867	\$ 42,062
Add cash received from government funding in year	664,417	599,734
Less increase in government grant repayable in year	(33,458)	nil
Add Increase (less decrease) in government funding receivable in year	5,683	(1,975)
Less government funding recognized in year (note 9)	<u>(622,307)</u>	<u>(625,954)</u>
Deferred revenue, end of year	<u>\$ 28,202</u>	<u>\$ 13,867</u>

### 8. CONTINGENCY FUND

The Contingency Fund of \$152,937 at March 31, 2009 (\$136,963 at March 31, 2008) is a reserve designated by the Board of Directors to provide for unexpected financial contingencies.

### 9. GOVERNMENT FUNDING

Government funding recognized in the year was as follows:

	2009	2008
<b>Resource Centre</b>		
DMFS		
Reimbursement and general funding	\$ 412,268	\$ 356,703
National Youth Initiatives Program		16,672
Human Resources Skills Development Canada	<u>7,245</u>	<u>          </u>
	<u>419,513</u>	<u>373,375</u>
<b>Playgarden Childcare Centre</b>		
Toronto Children's Services		
Childcare fee subsidy	179,495	228,854
Wage Improvement grant	19,300	19,726
Health and Safety grant	<u>3,999</u>	<u>3,999</u>
	<u>202,794</u>	<u>252,579</u>
	<u>\$ 622,307</u>	<u>\$ 625,954</u>

Salaries and benefits include payments to staff funded by salary grants in 2009 of \$19,300 (\$19,726 in 2008).

# THE TORONTO MILITARY FAMILY RESOURCE CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

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### 10. INCOME TAX STATUS

The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).