

**THE ETOBICOKE CHILDREN'S CENTRE**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

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## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS AND BOARD OF DIRECTORS OF THE ETOBICOKE CHILDREN'S CENTRE

### Report on the Financial Statements

We have audited the accompanying financial statements of The Etobicoke Children's Centre (the "Centre"), which comprise the balance sheets as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of revenues and expenses, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 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

In common with many charitable organizations, the Centre derives revenue from donations and fund raising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded by the Centre and we were not able to determine whether any adjustments might be necessary to revenues, excess (deficiency) of revenues over expenses, 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, if any, the financial statements present fairly, in all material respects, the financial position of The Etobicoke Children's Centre as at March 31, 2013, March 31, 2012 and April 1, 2011 and its financial performance and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

### Report on Other Legal and Regulatory Requirements

In accordance with the Corporations Act (Ontario), we report that the Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

*Clarke Henning LLP*

Toronto, Ontario  
July 16, 2013

CHARTERED ACCOUNTANTS  
Licensed Public Accountants

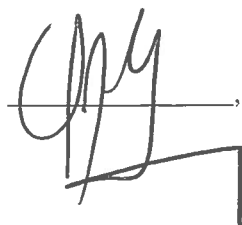
# THE ETOBICOKE CHILDREN'S CENTRE

## BALANCE SHEETS

AS AT MARCH 31, 2013, MARCH 31, 2012 AND APRIL 1, 2011

	March 31, 2013			March 31, 2012	April 1, 2011
	Operating Fund	Reserve Fund	Total	Total	Total
<b>ASSETS</b>					
Current assets					
Cash	\$ 124,958	\$ 76,470	\$ 201,428	\$ 435,504	\$ 239,025
Accounts receivable	209,091	-	209,091	173,773	49,488
Prepaid expenses	19,727	-	19,727	22,586	4,827
Investments (note 3)	-	433,989	433,989	428,224	-
	<b>353,776</b>	<b>510,459</b>	<b>864,235</b>	<b>1,060,087</b>	<b>293,340</b>
Investments (note 3)	-	-	-	-	428,224
Capital assets (note 4)	<b>462,994</b>	-	<b>462,994</b>	349,904	127,284
	<b>816,770</b>	<b>510,459</b>	<b>1,327,229</b>	<b>1,409,991</b>	<b>848,848</b>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	347,654	-	347,654	474,586	230,847
Payable to agency funded by Ministry of Children and Youth Services (note 7c)	-	-	-	31,751	-
Payable to Ministry of Community and Social Services (note 7c)	-	-	-	-	2,220
Deferred revenue (note 5)	65,369	-	65,369	63,790	5,787
	<b>413,023</b>	-	<b>413,023</b>	<b>570,127</b>	<b>238,854</b>
Deferred capital contributions (note 6)	<b>462,994</b>	-	<b>462,994</b>	349,904	127,284
	<b>876,017</b>	-	<b>876,017</b>	<b>920,031</b>	<b>366,138</b>
<b>NET ASSETS</b>	<b>(59,247)</b>	<b>510,459</b>	<b>451,212</b>	<b>489,960</b>	<b>482,710</b>
	<b>\$ 816,770</b>	<b>\$ 510,459</b>	<b>\$ 1,327,229</b>	<b>\$ 1,409,991</b>	<b>\$ 848,848</b>

Approved on behalf of the Board:

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

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

**THE ETOBICOKE CHILDREN'S CENTRE**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

	2013			2012
	Operating Fund	Reserve Fund	Total	Total
<b>Revenues</b>				
Government grants				
Ministry of Children and Youth Services (note 7a)				
- General funding	\$ 3,889,546	\$ -	\$ 3,889,546	\$ 3,761,924
- Agency funding	796,834	-	796,834	617,119
Ministry of Community and Social Services (note 7b)				
- General funding	70,178	-	70,178	70,178
City of Toronto				
- General funding (note 8a)	287,371	-	287,371	281,063
- Agency Funding (note 8c)	97,725	-	97,725	97,831
Project grants and contracts (note 9)	15,256	-	15,256	15,667
Donations	-	6,051	6,051	9,390
Interest	-	4,135	4,135	8,502
Rent and other income	5,412	-	5,412	4,143
	<b>5,162,322</b>	<b>10,186</b>	<b>5,172,508</b>	<b>4,865,817</b>
<b>Expenses</b>				
Salaries and wages (note 8)	3,559,046	-	3,559,046	3,217,938
Employee benefits	664,042	-	664,042	581,010
Staff training	52,996	1,547	54,543	53,597
Staff travel	22,023	-	22,023	21,654
Program supplies	114,019	443	114,462	132,839
Purchased services - client	246,655	-	246,655	301,521
- non-client	160,394	2,713	163,107	182,309
Office administration	175,243	998	176,241	194,325
Building occupancy	211,137	-	211,137	172,163
Fundraising/promotional expenses	-	-	-	1,211
	<b>5,205,555</b>	<b>5,701</b>	<b>5,211,256</b>	<b>4,858,567</b>
Depreciation and amortization of capital assets	172,978	-	172,978	112,563
Amortization of deferred capital contributions	(172,978)	-	(172,978)	(112,563)
	<b>5,205,555</b>	<b>5,701</b>	<b>5,211,256</b>	<b>4,858,567</b>
Excess (deficiency) of revenues over expenses for the year	\$ (43,233)	\$ 4,485	\$ (38,748)	\$ 7,250

# THE ETOBICOKE CHILDREN'S CENTRE

## STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED MARCH 31, 2013 AND 2012

	Operating Fund	Reserve Fund	Total	
			2013	2012
Balance - at beginning of year	\$ (16,014)	\$ 505,974	\$ 489,960	\$ 482,710
Excess (deficiency) of revenues over expenses for the year	(43,233)	4,485	(38,748)	7,250
Balance - at end of year	\$ (59,247)	\$ 510,459	\$ 451,212	\$ 489,960

# THE ETOBICOKE CHILDREN'S CENTRE

## STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2013 AND 2012

	2013	2012
Cash flow from operating activities		
Excess of revenues over expenses for the year	\$ (38,748)	\$ 7,250
Add back items not affecting cash flow		
Depreciation	172,978	112,563
Amortization of deferred capital contributions	(172,978)	(112,563)
Changes in non-cash working capital items		
Accounts receivable	(35,318)	(124,286)
Prepaid expenses	2,859	(17,759)
Accounts payable and accrued liabilities	(126,933)	243,740
Payable to Ministry of Children and Youth Services & Ministry of Community and Social Services	(31,751)	29,531
Deferred revenue	1,579	58,003
Interest accrual on investments	2,433	-
	(225,879)	196,479
Cash flow from financing and investing activities		
Purchase of capital assets	(286,067)	(335,183)
Capital contributions received	286,067	335,183
Purchase of investments (net)	(8,197)	-
	(8,197)	-
Change in cash during the year	(234,076)	196,479
Cash - at beginning of year	435,504	239,025
Cash - at end of year	\$ 201,428	\$ 435,504

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

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The Etobicoke Children's Centre (the "Centre") provides a broad spectrum of non-residential mental health treatment for children and families.

The Centre is incorporated under the Corporations Act (Ontario) as a not-for-profit corporation without share capital and is a registered charity under the Income Tax Act (Canada).

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations. These standards are in accordance with Canadian generally accepted accounting principles and include the following accounting policies:

#### *Basis of Presentation*

The Centre uses two funds to record its transactions. The operating fund covers the day-to-day program activities primarily funded by various government organizations. The reserve fund includes monies from fund-raising in support of Centre activities such as special projects, clients' special needs, and equipment purchases not funded through other sources in addition to providing an emergency reserve.

#### *Financial Assets and Liabilities*

The Centre initially measures its financial assets and liabilities at fair value. The Centre subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, accounts receivable, investments in guaranteed investment certificates, accounts payable and accrued liabilities.

#### *Revenue Recognition*

##### (a) Contributions

The Centre follows the deferral method of accounting for contributions which include donations, government grants and other contributions. Unrestricted contributions are recognized as revenue in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Externally restricted contributions for property and equipment are deferred and amortized over the life of the related capital asset. The unexpended portion of these contributions is recorded as deferred capital contributions on the balance sheet.

##### (b) All Other Income

All other income which includes rent, interest income and fund-raising are recognized as revenue when the services are provided, earned or the event takes place.

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

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

#### *Capital Assets*

Capital assets are recorded at cost and depreciated over their estimated useful lives on a straight line basis at the following annual rates:

Computer equipment and software	- 30% to 50%
Equipment	- 20%
Leasehold improvements	- 5 years

The above rates are reviewed annually to ensure they are appropriate. Any changes are adjusted for on a prospective basis. If there is an indication that the assets may be impaired, an impairment test is performed that compares carrying amount to net recoverable amount. There were no impairment indicators in 2013 or 2012.

#### *Contributed Goods and Services*

Volunteers contribute significant amounts of time to assist the Centre in conducting its service delivery activities. The Centre also receives donations of goods. Because of the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

#### *Allocation of Expenses*

The Centre promotes and supports the emotional and social well-being of children and their families through various activities and programs. The costs of these programs include direct salaries and benefits and other expenses that are directly related to providing the programs. The Centre also incurs general and administrative support expenses that are common to the administration of the Centre and its programs. The Centre allocates certain general support expenses to programs as follows:

Central Administration expenses are allocated in proportion to the amount of funding received, accounting for average of 9.5% of funding in 2013 and 10% in 2012.

Rental expenses are allocated based on space used by the programs consisting of Day programs at 65%, Community Based programs at 5%, Outpatient Counsellings at 20%, and administration at 10% for 2013 and 75%, 5% , 20% and 0% respectively for 2012.

#### *Use of Estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made difficult, complex or subjective judgments, often as a result of matters that are uncertain, include, among others, useful lives for depreciation and amortization of capital assets. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.



# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEARS ENDED MARCH 31, 2013 AND 2012

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#### 2. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2012, the Centre adopted the requirements of the Canadian Institute of Chartered Accountant's Handbook and has adopted Canadian Accounting Standards for Not-for-Profit Organizations ("NPO Standards"). This accounting framework is in accordance with Canadian generally accepted accounting principles (GAAP). These are the first financial statements prepared in accordance with this framework which has been applied retrospectively. The accounting policies set out in the summary of significant accounting policies have been applied in preparing the financial statements as at March 31, 2013 and for the year then ended and the comparative information presented in these financial statements as at March 31, 2012 and for the year then ended and in the preparation of an opening balance sheet at April 1, 2011.

The Centre previously issued financial statements for the year ended March 31, 2012 using pre-changeover accounting standards which are the standards applied by the Centre prior to its adoption of NPO Standards. The adoption of NPO Standards had no impact on the previously reported assets, liabilities and net assets of the Centre, and accordingly, no adjustments were required in the comparative balance sheets, statements of revenues and expenses, changes in net assets and cash flows. Certain of the comparative presentation and disclosures included in the notes to these financial statements reflect the new presentation and disclosure requirements of NPO Standards.

#### 3. INVESTMENTS

Investments consist of redeemable guaranteed investment certificates ("GIC's") plus accrued interest as follows:

<i>March 31, 2013</i>			<i>March 31, 2012</i>			<i>April 1, 2011</i>		
<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Maturity Date</i>
<i>\$ 433,237</i>	<i>1.20 %</i>	<i>May 12, 2013</i>	<i>\$ 425,079</i>	<i>2.00 %</i>	<i>May 17, 2012</i>	<i>\$ 425,079</i>	<i>2.00 %</i>	<i>May 17, 2012</i>

Subsequent to the year end, the Centre renewed the GIC's for a short term period of 90 days.

#### *Investment Risk Management*

Risk management relates to the understanding and active management of risks associated with all areas of the Centre's activities and operations. Investments are primarily exposed to interest rate risks. The Centre has formal policies and procedures for investment transactions and funds are invested in fixed income securities only.

#### *Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Centre. The value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise.

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEARS ENDED MARCH 31, 2013 AND 2012

#### 4. CAPITAL ASSETS

Details of capital assets are as follows:

	Cost	Accumulated Depreciation	Net Book Value		
			March 31, 2013	March 31, 2012	April 1, 2011
Computer equipment and software	\$ 162,209	\$ 112,986	\$ 49,223	\$ 58,503	\$ 27,396
Equipment	351,690	152,830	198,860	112,220	22,058
Leasehold improvements	613,402	398,491	214,911	179,181	77,830
	<b>\$ 1,127,301</b>	<b>\$ 664,307</b>	<b>\$ 462,994</b>	<b>\$ 349,904</b>	<b>\$ 127,284</b>

Leasehold improvements includes costs under construction in the amount of \$13,647 (\$101,926 at at March 31, 2012, \$NIL as at April 1, 2011).

#### 5. DEFERRED REVENUE

The details of deferred revenue is as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
City of Toronto (see note 9 (b))	\$ 65,369	\$ 63,790	\$ -
The George Hull Centre (see note 9 (c))	-	-	5,787

#### 6. DEFERRED CAPITAL CONTRIBUTIONS

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

	March 31, 2013	March 31, 2012	April 1, 2011
Balance - at beginning of year	\$ 349,904	\$ 127,284	\$ 140,030
Capital contributions received and spent during the year	286,068	335,183	37,505
Amortization of deferred capital contributions	(172,978)	(112,563)	(50,251)
Balance - at end of year	<b>\$ 462,994</b>	<b>\$ 349,904</b>	<b>\$ 127,284</b>

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

### 7. MINISTRY OF CHILDREN AND YOUTH SERVICES FUNDING & MINISTRY OF COMMUNITY AND SOCIAL SERVICES FUNDING

(a) The details of the Ministry of Children and Youth Services operating grants are as follows:

	2013	2012
Operating base funding	\$ 4,972,448	\$ 4,745,977
Less amounts allocated to capital assets	(286,068)	(335,183)
Less amounts repayable	-	(31,751)
	<b>4,686,380</b>	<b>4,379,043</b>
Balance consisted of:		
General funding	3,889,546	3,761,924
Agency funding	796,834	617,119
	<b>\$ 4,686,380</b>	<b>\$ 4,379,043</b>

(b) The details of the Ministry of Community and Social Services operating grants are as follows:

	2013	2012
Operating base funding - general funding	\$ 70,178	\$ 70,178

(c) The Centre has a number of contracts with the Ministry of Children and Youth Services and the Ministry of Community and Social Services for the funding of various programs.

The fiscal period funding balance due to the Ministry of Children and Youth Services at March 31 relates to the following programs:

	March 31, 2013	March 31, 2012	April 1, 2011
Base Funding	\$ -	\$ -	\$ -
Children's Community Support - Other	-	-	-
Child & Family - Counselling	-	-	-
Day School Milieu Treatment Program	-	-	-
Children's Services Network	-	-	-
Child & Family - Sexual Abuse Treatment - Children	-	-	-
Sexual Abuse Treatment - Performance Management	-	-	-
Autism Intervention Program	-	-	-
Children's Mental Health, Birth to Six	-	-	-
ABA program	-	31,751	-
One-time funding	-	-	-
Repairs and maintenance	-	-	-
Balance due for the funding period ended March 31	<b>\$ -</b>	<b>\$ 31,751</b>	<b>\$ -</b>

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

### YEARS ENDED MARCH 31, 2013 AND 2012

#### 7. MINISTRY OF CHILDREN AND YOUTH SERVICES FUNDING & MINISTRY OF COMMUNITY AND SOCIAL SERVICES FUNDING (continued)

As at March 31, 2012 the Centre had an unspent balance of \$31,751 related to funds received from an agency. The amount was repaid during the 2013 fiscal year.

The fiscal period funding balance due to the Ministry of Community and Social Services relates to the following program:

	<i>March 31, 2013</i>	<i>March 31, 2012</i>	<i>April 1, 2011</i>
Child & Family - Sexual Abuse Treatment - Adult	\$ -	\$ -	\$ 2,220

As at April 1, 2011, there was an amount payable of \$2,220 relating to the 2010 fiscal year budget. The amount was repaid during 2012 fiscal year.

The deficit for these programs is absorbed by the Centre and funded by other revenues which include interest, rent and other income. See the Schedule of Revenues and Expenses by Program for further details.

#### 8. CITY OF TORONTO FUNDING

- (a) The details of the Toronto Children's Services wage subsidies are as follows:

	<i>Wage Subsidy</i>	<i>Pay Equity 1999-2005</i>	<i>Wage Improvement</i>	<i>Total</i>
Deferred from prior years	\$ -	\$ -	\$ -	\$ -
Received in this fiscal year	11,552	9,536	3,228	24,316
Wage subsidies expensed in this fiscal year (according to Day Nurseries Act, Regulation 262, amended O.Reg 277/98, Section 1)	11,552	9,536	3,228	24,316
Wage subsidies returned to Children's Services this fiscal year	-	-	-	-
Wage subsidies deferred to future years	-	-	-	-

Funding from City of Toronto for the Every Child Belongs program comprises wage subsidies of \$24,316 (\$24,316 - 2012) and other funding from the City of Toronto of \$263,055 including annualized amount of \$261,476 for the current year and retroactive payment of \$1,579 for the funding period from January 1, 2012 to March 31, 2012 (\$256,747 - 2012). Wage subsidy expenses are included in salaries and employee benefits.

- (b) The funding from the City of Toronto for the Every Child Belongs program resulted in a surplus of \$NIL (\$NIL - 2012). As at March 31, 2013 the Centre received \$65,369 (\$63,970 as at March 31, 2012 and \$nil as at April 1, 2011) for the funding period subsequent to the fiscal year end. This amount is recorded as deferred revenue as disclosed in note 6.
- (c) The Centre participates in the Toronto Preschool Speech and Language program funded through Toronto Public Health. During the year the Centre received and spent a total of \$97,725, (\$97,831 in 2012).

**THE ETOBICOKE CHILDREN'S CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED MARCH 31, 2013 AND 2012**

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*9. PROJECT GRANTS AND CONTRACTS*

Details of project grants and contracts are as follows:

	<i>2013</i>	<i>2012</i>
Toronto Star - Fresh Air Fund	\$ 8,000	\$ 8,000
Government of Canada - Summer Students	7,056	7,667
Government of Ontario - WESAT	100	-
Government of Ontario - Criminal Injuries Compensation Board	100	-
	<b>\$ 15,256</b>	<b>\$ 15,667</b>

*10. LEASE COMMITMENTS*

(a) The Centre leases one of its premises from the Toronto District School Board on a month to month basis. The rent paid for 2013 was \$128,417 (\$128,417 - 2012), which included operating costs and taxes. During the year the Centre rented another location under a short term lease and paid a total rent of \$55,069 (\$35,558 - 2012).

(b) The Centre is committed to a lease for its second premise which expires September 30, 2017. The minimum annual lease payments under this lease are as follows:

2014	\$ 91,623
2015	93,754
2016	99,081
2017	51,138

(c) The Centre has entered into office equipment leases which expire September 2013, July 2016, and October 2018. The minimum annual lease payments for the next five years are as follows:

Fiscal year ended March 31, 2014	\$ 17,634
2015	14,015
2016	14,015
2017	8,491
2018	3,325

# THE ETOBICOKE CHILDREN'S CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

YEARS ENDED MARCH 31, 2013 AND 2012

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### 11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure at the balance sheet date.

#### *Credit Risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre's main credit risks relate to accounts receivable. The Centre is not exposed to significant credit risks.

#### *Liquidity Risk*

Liquidity risk is the risk that the Centre will encounter difficulty in meeting obligations associated with financial liabilities. The Centre is exposed to this risk mainly in respect of its accounts payable. The Centre expects to meet these obligations as they come due by generating sufficient cash flow from operations, mainly from approved fundings.

#### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Centre is not exposed to significant currency or other price risks. Interest rate risk is disclosed in note 3.

### 12. GUARANTEES AND INDEMNITIES

The Centre has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgements and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Centre has purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Centre has entered into agreements that include indemnities in favour of third parties, either express or implied, such as in service contracts, lease agreements or sales and purchase contracts. In these agreements, the Centre agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Centre. The maximum amount of any potential liability cannot be reasonably estimated.

**THE ETOBICOKE CHILDREN'S CENTRE  
SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM  
YEAR ENDED MARCH 31, 2013**

	Operating Fund									
	MCYS Service Contract									
	Central Administration	Children's Comm Supp Other	C & FI Operating Non-Res	Mental Health Brief	School Services	Day School Classrooms	C & FI Non-Res (WESAT)	Child Treatment Autism		
Revenues										
Government funding										
Ministry of Children and Youth Services (note 7a)										
- general funding	\$ (95,701)	\$ 29,515	\$ 1,056,696	\$ 149,186	\$ 149,186	\$ 566,622	\$ 73,788	\$ 1,428,040		
- agency funding	-	-	-	-	-	-	-	-		
Ministry of Community and Social Services (note 7b)										
- general funding	-	-	-	-	-	-	-	-		
City of Toronto										
- general funding (note 8a)	-	-	-	-	-	-	-	-		
- agency funding (note 8c)	-	-	7,600	-	-	8,000	200	-		
Project grants and contracts (note 9)	-	-	-	-	-	-	-	-		
Donations	-	-	-	-	-	-	-	-		
Fundraising, net	-	-	-	-	-	-	-	-		
Interest	-	-	-	-	-	-	-	-		
Rent and other income	-	-	4,868	-	-	-	-	-		
	(95,701)	29,515	1,069,164	149,186	149,186	574,622	73,988	1,428,040		
Expenses										
Salaries and wages	198,608	22,580	620,198	120,562	120,562	405,372	45,559	942,384		
Employee benefit	41,550	3,963	87,410	27,474	27,683	84,011	9,705	185,898		
Staff training	25,028	-	31,753	-	-	6,115	1,136	7,377		
Staff travel	3,153	-	5,791	-	57	2,646	258	907		
Program supplies	778	-	27,075	28	74	13,604	6,178	8,113		
Purchased services - client	10	-	40,682	1,122	810	3,288	2,323	3,197		
- non-client	27,054	-	59,093	-	-	-	-	20,587		
Office administration	101,899	-	31,485	-	-	-	1,449	21,144		
Building occupancy	17,463	-	47,780	-	-	2,845	-	95,628		
	415,543	26,543	951,267	149,186	149,186	517,881	66,608	1,285,235		
Administrative overhead costs	-	2,972	117,896	-	-	56,741	7,380	142,805		
Allocation of overhead costs	(468,010)	-	-	-	-	-	-	-		
	(52,467)	29,515	1,069,163	149,186	149,186	574,622	73,988	1,428,040		
Depreciation and amortization of capital assets	-	-	111,121	-	-	-	-	-		
Amortization of deferred capital contributions	-	-	(111,121)	-	-	-	-	-		
	(52,467)	29,515	1,069,163	149,186	149,186	574,622	73,988	1,428,040		
Excess (deficiency) of revenues over expenses for the year	\$ (43,234)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		

**THE ETOBICOKE CHILDREN'S CENTRE**  
**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)**  
**YEAR ENDED MARCH 31, 2013**

	Operating Fund								
	MCYS Service Contract			MCSS Service Contract					
	Family Support Autism	ABA Program	Children's Mental Health	Intensive Child & Family	Evaluation Grant	Total MCYS	YAW Performance Management	Counselling Service	Total
Revenues									
Government funding									
Ministry of Children and Youth Services (note 7a)	\$ 118,000	\$ -	\$ 364,214	\$ -	\$ 50,000	\$ 3,889,546	\$ -	\$ -	\$ -
- general funding	-	728,062	-	68,772	-	796,834	-	-	-
- agency funding	-	-	-	-	-	-	2,100	68,078	70,178
Ministry of Community and Social Services (note 7b)	-	-	-	-	-	-	-	-	-
City of Toronto	-	-	-	-	-	-	-	-	-
- general funding (note 8a)	-	-	-	-	-	-	-	-	-
- agency funding (note 8c)	-	-	-	-	-	-	-	-	-
Project grants and contracts (note 9)	-	-	-	-	-	15,800	-	-	-
Donations	-	-	-	-	-	-	-	-	-
Fundraising, net	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent and other income	-	-	-	-	-	4,868	-	-	-
	118,000	728,062	364,214	68,772	50,000	4,707,048	2,100	68,078	70,178
Expenses									
Salaries and wages	100,000	529,643	112,768	49,884	5,628	3,273,748	1,888	13,783	15,671
Employee benefit	18,000	82,900	22,099	8,406	-	599,099	-	2,383	2,383
Staff training	-	(20,108)	-	-	-	51,301	-	100	100
Staff travel	-	1,930	151	-	-	14,893	-	-	-
Program supplies	-	9,988	41	64	1,091	67,034	-	45,041	45,041
Purchased services - client	-	1,825	192,735	-	219	246,211	-	(37)	(37)
- non-client	-	15,375	-	-	38,285	160,394	-	-	-
Office administration	-	8,684	-	31	4,777	172,314	-	-	-
Building occupancy	-	38,285	-	-	-	199,156	-	-	-
	118,000	668,522	327,794	58,385	50,000	4,784,150	1,888	61,270	63,158
Administrative overhead costs	-	59,540	36,420	10,387	-	434,141	212	6,808	7,020
Allocation of overhead costs	-	-	-	-	-	(468,010)	-	-	-
Depreciation and amortization of capital assets	118,000	728,062	364,214	68,772	50,000	4,750,281	2,100	68,078	70,178
Amortization of deferred capital contributions	-	(61,857)	-	-	-	172,978	-	-	-
	118,000	728,062	364,214	68,772	50,000	4,750,281	2,100	68,078	70,178
Excess (deficiency) of revenues over expenses for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,233)	\$ -	\$ -	\$ -



**THE ETOBICOKE CHILDREN'S CENTRE  
SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM (CONTINUED)  
YEARS ENDED MARCH 31, 2013 AND 2012**

	Operating Fund					Total	Reserve Fund	Allocation of Overhead Costs	Consolidated Total	
	City of Toronto Funded Services	Wage Enhancement	Pay Equity	Child Care	Speech and Language				Total Operating Fund	2013
Revenue										
Government funding										
Ministry of Children and Youth Services (note 7a)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,889,546	\$ 3,761,924
- general funding									796,834	617,119
- agency funding										
Ministry of Community and Social Services (note 7b)										
- general funding										
City of Toronto										
- general funding (note 8a)	11,552	12,764	263,055			287,371			70,178	70,178
- agency funding (note 8c)				97,725		97,725			287,371	281,063
Project grants and contracts (note 9)						15,800			15,800	15,767
Donations							6,051		6,051	10,786
Fundraising, net										
Interest							4,135		4,135	8,502
Rent and other income						4,868			4,868	2,647
	11,552	12,764	263,055	97,725	385,096	5,162,322	10,186		5,172,508	4,865,817
Expenses										
Salaries and wages	11,552	12,764	168,974	76,337	269,627	3,559,046			3,559,046	3,217,938
Employee benefits			47,832	14,728	62,560	664,042			664,042	581,010
Staff training			696	899	1,595	52,996	1,547		54,543	53,597
Staff travel			6,154	7,130	13,284	22,023			22,023	21,654
Program supplies			312	1,632	1,944	114,019	443		114,462	132,839
Purchased services - clients			481		481	246,655			246,655	301,521
- non-client						160,394	2,713		163,107	182,309
Office administration			2,125	804	2,929	175,243	998		176,241	194,325
Building occupancy			11,981		11,981	211,137			211,137	172,163
Fundraising/promotional expenses										1,211
	11,552	12,764	238,555	95,376	358,247	5,205,555	5,701		5,211,256	4,858,567
Administrative overhead costs			24,500	2,349	26,849	468,010			468,010	
Allocation of overhead costs						(468,010)				
Depreciation and amortization of capital assets	11,552	12,764	263,055	97,725	385,096	5,205,555	5,701		5,211,256	4,858,567
Amortization of deferred capital contributions						(172,978)			(172,978)	(112,563)
	11,552	12,764	263,055	97,725	385,096	5,205,555	5,701		5,211,256	4,858,567
Excess (deficiency) of revenues over expenses for the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,233)	\$ 4,485	\$ -	\$ (38,748)	\$ 7,250