

Financial statements of

**Tropicana Community
Services Organization**

March 31, 2013 and 2012

Tropicana Community Services Organization

March 31, 2013 and 2012

Table of contents

Independent Auditor's Report	1-2
Balance sheets.....	3
Statements of revenue, expenses and changes in fund balances.....	4-5
Statements of cash flows	6
Notes to the financial statements	7-14

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Independent Auditor's Report

To the Members of
Tropicana Community Services Organization

We have audited the accompanying financial statements of Tropicana Community Services Organization (the "Organization"), which comprise the balance sheets as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of revenues, expenses and changes in fund balances and of cash flows for the years ended March 31, 2013 and 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 audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations 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.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
June 20, 2013

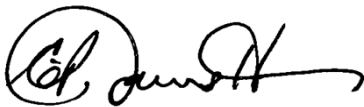
Tropicana Community Services Organization

Balance sheets

as at March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011 (Note 2)
	\$	\$	\$
Assets			
Current assets			
Cash and term deposits	1,041,312	685,043	895,039
Accounts receivable	475,824	903,674	882,447
Deposits and prepaid expenses	118,845	108,625	80,547
	1,635,981	1,697,342	1,858,033
Capital assets (Note 4)	3,808,921	2,965,287	368,172
	5,444,902	4,662,629	2,226,205
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (Note 16)	1,257,820	856,145	655,427
Current portion of long-term debt (Note 5)	33,660	32,439	-
Amount due to funders (Note 6)	47,169	565,217	521,908
Deferred revenue (Note 7)	783,536	362,302	514,108
	2,122,185	1,816,103	1,691,443
Long-term debt (Note 5)	871,251	904,911	-
Deferred capital grant (Note 8)	1,450,000	660,000	-
	2,321,251	1,564,911	-
	4,443,436	3,381,014	1,691,443
Fund balances			
General			
Invested in capital assets (Note 9)	1,454,010	1,367,937	368,172
Unrestricted	(836,680)	(570,186)	(121,573)
	617,330	797,751	246,599
Restricted	82,235	204,655	34,890
Capital building fund (Note 10)	301,901	279,209	253,273
	1,001,466	1,281,615	534,762
	5,444,902	4,662,629	2,226,205

On behalf of the Board



Director



Director

The accompanying notes to financial statements are an integral part of this financial statement.

Tropicana Community Services Organization

Statement of revenue, expenses and changes in fund balances year ended March 31, 2013

	Unrestricted		Daycare	A.Y.C.E.	S.Y.R.C.	MCYS Capital Project	Summer Jobs For Youth	Microsoft ProTech	Trusteed Projects	Restricted	Capital Building Fund	Total	2012 Total	
	General	CAC-NSP								Total restricted				Total
	\$	\$								\$				\$
Revenue														
City of Toronto fees	-	-	732,660	-	-	-	-	-	-	732,660	-	732,660	728,243	
City of Toronto grants	73,108	-	161,605	71,441	6,500	-	-	-	12,612	252,158	-	325,266	304,072	
Provincial grants	202,008	41,718	-	2,512,293	-	-	4,212,082	-	3,396	6,727,771	-	6,971,497	7,744,301	
Less: unspent provincial grants	-	-	-	(23,781)	-	-	-	-	-	(23,781)	-	(23,781)	(125,746)	
Federal grants	6,336	-	4,155	14,004	280,611	-	-	-	-	298,770	-	305,106	298,648	
United Way	409,605	-	-	-	53,822	-	-	-	390,287	444,109	12,154	865,868	715,954	
Foundations and Others	-	-	-	-	38,869	-	-	-	47,026	85,895	-	85,895	161,904	
Membership and donations	46,242	-	50	-	14,830	-	-	45,182	-	60,062	12,910	119,214	155,991	
Parents fees	29,685	-	49,886	-	2,919	-	-	-	-	52,805	-	82,490	76,967	
Fund raising - general and others	485	-	-	-	5,729	-	-	-	-	5,729	-	6,214	3,225	
Fund raising - spring dance	389	-	-	-	60,863	-	-	-	-	60,863	-	61,252	48,333	
Other income and expense recoveries	262,070	-	-	21,836	1,952	-	-	-	73	23,861	-	285,931	220,724	
Interest income	2,880	-	-	-	-	-	-	-	-	-	-	2,880	4,150	
Rental income	4,450	-	-	-	1,520	-	-	-	-	1,520	-	5,970	3,746	
	1,037,258	41,718	948,356	2,595,793	467,615	-	4,212,082	45,182	453,394	8,722,422	25,064	9,826,462	10,340,512	
Expenses														
Advertising and promotion	30,740	-	-	60,380	118	-	257	-	2,716	63,471	-	94,211	154,031	
Capital expenditure - Trusteed Projects	-	-	-	-	-	-	-	-	159,908	159,908	-	159,908	-	
Fund raising expenses - general and others	1,554	-	-	-	-	-	-	-	-	-	816	2,370	520	
Fund raising expenses - spring dance	-	-	-	-	44,035	-	-	-	-	44,035	-	44,035	31,175	
Amortization	16,222	-	2,664	31,776	2,185	-	44,121	-	-	80,746	-	96,968	105,511	
Equipment lease	27,668	-	3,647	13,398	5,818	-	469	-	-	23,332	-	51,000	53,292	
Food	4,752	-	56,452	3,093	706	-	20,153	-	3,112	83,516	925	89,193	83,859	
Insurance	4,728	-	3,955	11,897	971	-	-	-	3,510	20,333	-	25,061	31,216	
Employment service reimbursement	-	-	-	225,048	-	-	-	-	-	225,048	-	225,048	240,588	
HRSDC participants' reimbursement	-	-	-	-	156,513	-	-	-	-	156,513	-	156,513	156,797	
Non-recoverable portion of H.S.T.	13,617	-	4,229	14,069	1,037	-	3,292	534	7,394	30,555	46	44,218	57,960	
OSJS reimbursement	-	-	-	363,068	-	-	-	-	-	363,068	-	363,068	627,641	
Professional fees	33,613	-	8,146	50,005	11,397	-	14,070	11,679	62,378	157,675	550	191,838	287,308	
Program supplies	9,583	-	15,135	11,286	193	-	4,513	-	34,076	65,203	-	74,786	143,536	
Rent, utilities and cleaning	180,894	-	17,685	156,815	-	-	28,900	-	3,091	206,491	24	387,409	375,956	
Salaries and benefits	1,251,959	37,623	751,324	1,357,969	192,686	-	3,688,961	74,612	84,888	6,150,440	-	7,440,022	7,123,333	
Special projects	-	-	2,302	113,409	-	-	328	-	-	116,039	-	116,039	155,205	
Stationery, office supplies and bank charges	162,284	3,391	3,445	42,747	19,579	-	152,310	1,315	103,015	322,411	11	488,097	601,401	
Telephone	8,458	-	4,355	8,547	3,129	-	4,194	533	3,975	24,733	-	33,191	37,155	
Travel	3,927	704	-	4,900	1,349	-	9,945	-	2,811	19,005	-	23,636	27,175	
	1,749,999	41,718	873,339	2,468,407	439,716	-	3,971,513	88,673	470,874	8,312,522	2,372	10,106,611	10,293,659	
Allocation - administration expenses	(532,320)	-	48,000	151,113	44,774	-	288,433	-	-	532,320	-	-	-	
Adjusted total expenses	1,217,679	41,718	921,339	2,619,520	484,490	-	4,259,946	88,673	470,874	8,844,842	2,372	10,106,611	10,293,659	
Excess (deficiency) of revenue over expenses	(180,421)	-	27,017	(23,727)	(16,875)	-	(47,864)	(43,491)	(17,480)	(122,420)	22,692	(280,149)	46,853	
Grant for purchases of land (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	700,000	
Fund balance, beginning of year	797,751	-	278,982	(200,800)	(110,816)	566	236,481	-	242	204,655	279,209	1,281,615	534,762	
Fund balances, end of year	617,330	-	305,999	(224,527)	(127,691)	566	188,617	(43,491)	(17,238)	82,235	301,901	1,001,466	1,281,615	

Tropicana Community Services Organization

Statement of revenue, expenses and changes in fund balances year ended March 31, 2012

	Unrestricted		Daycare	A.Y.C.E.	S.Y.R.C.	MCYS Capital Project	Summer Jobs For Youth	Microsoft ProTech	Trusteed projects	Restricted	Capital Building Fund	Total (Note 2)
	General	CAC-NSP								Total restricted		
	\$	\$								\$		
Revenue												
City of Toronto fees	-	-	728,243	-	-	-	-	-	-	728,243	-	728,243
City of Toronto grants	75,803	-	145,390	43,850	-	-	-	-	39,029	228,269	-	304,072
Provincial grants	205,092	41,718	-	3,164,160	-	-	4,300,796	-	32,535	7,497,491	-	7,744,301
Less: unspent provincial grants	-	-	-	(125,746)	-	-	-	-	-	(125,746)	-	(125,746)
Federal grants	5,996	-	7,282	14,967	270,403	-	-	-	-	292,652	-	298,648
United Way	415,149	-	-	-	52,713	-	-	-	236,341	289,054	11,751	715,954
Foundations and others	-	-	-	-	73,886	-	-	-	88,018	161,904	-	161,904
Membership and donations	44,940	-	150	-	1,688	-	-	95,198	-	97,036	14,015	155,991
Parents fees	23,560	-	51,189	-	2,218	-	-	-	-	53,407	-	76,967
Fund raising - general and others	1,089	-	-	-	2,136	-	-	-	-	2,136	-	3,225
Fund raising - spring dance	48,333	-	-	-	-	-	-	-	-	-	-	48,333
Other income and expense recoveries	167,978	-	-	37,961	5,758	8,857	-	-	-	52,576	170	220,724
Interest income	4,150	-	-	-	-	-	-	-	-	-	-	4,150
Rental income	3,120	-	-	-	626	-	-	-	-	626	-	3,746
	995,210	41,718	932,254	3,135,192	409,428	8,857	4,300,796	95,198	395,923	9,277,648	25,936	10,340,512
Expenses												
Advertising and promotion	38,820	-	-	82,996	717	-	31,241	-	257	115,211	-	154,031
Fund raising expenses-general and others	520	-	-	-	-	-	-	-	-	-	-	520
Fund raising expenses-spring dance	31,175	-	-	-	-	-	-	-	-	-	-	31,175
Amortization	19,716	-	3,438	35,884	2,341	-	43,865	-	267	85,795	-	105,511
Equipment lease	27,452	-	3,408	13,617	6,002	-	2,813	-	-	25,840	-	53,292
Food	10,655	-	55,640	1,286	454	-	7,860	-	7,964	73,204	-	83,859
Insurance	8,735	-	4,739	13,836	1,163	-	-	-	2,743	22,481	-	31,216
Employment service reimbursement	-	-	-	240,588	-	-	-	-	-	240,588	-	240,588
HRSDC participants' reimbursement	-	-	-	-	156,797	-	-	-	-	156,797	-	156,797
Non-recoverable portion of Harmonized Sales Tax	14,779	-	4,840	18,711	933	-	16,385	567	1,745	43,181	-	57,960
OSJS reimbursement	-	-	-	627,641	-	-	-	-	-	627,641	-	627,641
Professional fees	73,526	-	7,603	65,635	7,747	-	44,558	11,679	76,560	213,782	-	287,308
Program supplies	8,679	-	17,112	23,587	79	-	59,980	-	34,099	134,857	-	143,536
Rent, utilities and cleaning	171,681	-	16,021	158,014	71	8,291	20,778	-	1,100	204,275	-	375,956
Salaries and benefits	1,221,254	37,982	706,524	1,450,139	221,825	-	3,220,395	80,186	185,028	5,864,097	-	7,123,333
Special projects	226	-	2,963	151,551	-	-	65	-	400	154,979	-	155,205
Stationery, office supplies and bank charges	70,990	3,391	5,441	50,593	11,439	-	380,399	2,231	76,917	527,020	-	601,401
Telephone	9,812	-	4,003	8,499	2,928	-	5,783	535	5,595	27,343	-	37,155
Travel	4,345	345	52	8,051	1,544	-	9,832	-	3,006	22,485	-	27,175
	1,712,365	41,718	831,784	2,950,628	414,040	8,291	3,843,954	95,198	395,681	8,539,576	-	10,293,659
Allocation - administration expenses	(651,816)	-	48,000	187,512	27,801	-	388,503	-	-	651,816	-	-
Adjusted total expenses	1,060,549	41,718	879,784	3,138,140	441,841	8,291	4,232,457	95,198	395,681	9,191,392	-	10,293,659
Excess (deficiency) of revenue over expenses	(65,339)	-	52,470	(2,948)	(32,413)	566	68,339	-	242	86,256	25,936	46,853
Grant for purchase of land (Note 4)	700,000	-	-	-	-	-	-	-	-	-	-	700,000
Fund balances, beginning of year	163,090	-	226,512	(197,852)	(78,403)	-	168,142	-	-	118,399	253,273	534,762
Fund balances, end of year	797,751	-	278,982	(200,800)	(110,816)	566	236,481	-	242	204,655	279,209	1,281,615

The accompanying notes to financial statements are an integral part of this financial statement.

Tropicana Community Services Organization

Statements of cash flows

years ended March 31, 2013 and 2012

	March 31, 2013	March 31, 2012 (Note 2)
	\$	\$
Operating activities		
Excess of revenue over expenses (expenses over revenue)	(280,149)	46,853
Item not affecting cash		
Amortization of capital assets	96,968	105,511
	(183,181)	152,364
Changes in non cash working capital items		
Accounts receivable	427,850	(21,227)
Deposits and prepaid expenses	(10,220)	(28,078)
Accounts payable and accrued liabilities	401,675	200,718
Amount due to funders	(518,048)	43,309
Deferred revenue	421,234	(151,806)
	539,310	195,280
Investing activities		
Grant for purchase of land	-	700,000
Deferred capital grant	790,000	660,000
Purchase of capital assets	(940,602)	(2,702,626)
	(150,602)	(1,342,626)
Financing activity		
Long-term debt	(32,439)	937,350
Increase (decrease) in cash and term deposits	356,269	(209,996)
Cash and term deposits, beginning of year	685,043	895,039
Cash and term deposits, end of year	1,041,312	685,043
Cash and term deposits comprise the following:		
Cash	662,342	308,894
Term deposits	378,970	376,149
	1,041,312	685,043
Supplementary cash flow information		
Interest paid	34,136	2,898

The accompanying notes to financial statements are an integral part of this financial statement.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

1. Purpose of Organization

Tropicana Community Services Organization (the "Organization") is a charitable organization providing culturally appropriate social services in east Toronto, focusing on the needs of youth and the Caribbean and Black communities.

Through the cooperative efforts of staff, volunteers and community partners, the Organization provides counseling and other support programs to have an enduring positive impact in building a healthier community, by enhancing self-reliance and self-worth.

The Organization is a charitable organization under the Income Tax Act and therefore, is not subject to either Federal or Provincial income taxes.

2. Adoption of new accounting standards

During the year, the Organization adopted the new Canadian accounting standards for not-for-profit organizations ("the new standards") issued by the Canadian Institute of Chartered Accountants ("CICA"). In accordance with section 1501 of the CICA Handbook, First-time adoption, ("Section 1501"), the date of transition to the new standards is April 1, 2011 and Organization has presented an opening balance sheet as at that date. This opening balance sheet is the starting point for the Organization's accounting under the new standards. In its opening balance sheet, under the recommendations of Section 1501, the Organization:

- (a) recognized all assets and liabilities the recognition of which is required by the new standards;
- (b) did not recognize items as assets or liabilities if the new standards do not permit such recognition; and
- (c) applied the new standards in measuring all recognized assets and liabilities.

In accordance with the requirements of Section 1501, the accounting policies set out in Note 3 have been consistently applied to all years presented.

The Organization has adopted the exemption available under Section 1501 related to the financial instruments, but this has not resulted in any changes to Fund balances as at April 1, 2011, or to the Statements of revenue and expenses and of cash flows for the year ended March 31, 2012.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for Not-for-Profit organizations, using the restricted method for recognizing restricted contributions, and reflect the following policies:

Capital assets

Capital assets are recorded at cost and are amortized over their estimated useful lives at the following annual rates:

Furniture and equipment	20% declining-balance
Computer equipment	33.33% declining-balance

Leasehold improvements are amortized on the straight-line basis over the term of the leases.

Revenue recognition

Restricted donations and grants are recognized as revenue of the appropriate restricted funds. All other restricted donations and grants for which no restricted funds have been established are deferred and recognized as revenue of the General Fund in the years in which the related expense are incurred. Unrestricted donations or grants are recognized as revenue of the General Fund.

Fund balance

Upon completion of each program and subsequent final settlement with the primary funding agency, any remaining fund balance is transferred into the General Fund balance, or as contracted with the Funder, included in the appropriate Restricted Fund.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

3. Significant accounting policies

Donated services

The work of the Organization is dependent on the voluntary services of many members. Due to the difficulty of determining the fair value of these services, they are not recognized in these financial statements and no official receipts are therefore issued.

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when Organization becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. The Organization has elected to use the fair value option to measure term deposits, with any subsequent changes in fair value recorded in the Statement of revenue, expenses and changes in fund balances.

4. Capital assets

	March 31, 2013		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	700,000	-	700,000
Building	2,776,856	-	2,776,856
Furniture and equipment	545,009	341,304	203,705
Computer equipment	631,865	564,027	67,838
Leasehold improvements	358,740	298,218	60,522
	5,012,470	1,203,549	3,808,921

	March 31, 2012		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	700,000	-	700,000
Building	1,851,899	-	1,851,899
Furniture and equipment	537,739	291,287	246,452
Computer equipment	623,490	532,207	91,283
Leasehold improvements	358,740	283,087	75,653
	4,071,868	1,106,581	2,965,287

	April 1, 2011		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Furniture and equipment	401,491	246,706	154,785
Computer equipment	609,012	490,191	118,821
Leasehold improvements	358,740	264,174	94,566
	1,369,243	1,001,071	368,172

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

4. Capital assets (continued)

The Organization purchased its own building on February 17, 2012, and will move to this new location when renovations have been completed. The value of the land was determined by an independent appraiser. Amortization of the building will commence upon occupancy.

The Ministry of Children and Youth Services (the "Ministry"), agreed to assist the Organization by providing funds for the acquisition and renovation of the premises for use to operate the program approved by and/or funded by the Ministry. The financial assistance will equal the lesser of the Ministry's proportionate share of the actual approved cost, or \$2,000,000, whichever is less. \$2,000,000 (2012 - \$1,360,000) has been contributed to date, of which \$700,000 was for the purchase of the land and was received and recorded in the Statement of changes in fund balances during the 2012 fiscal year. The remaining \$1,300,000 is included in deferred capital grant (Note 8). The Ministry's proportionate interest in the premises will equal the Ministry's contribution divided by the expected fair market value of the premises after project completion.

5. Long-term debt

On February 14, 2012, the Organization entered into a fixed rate loan agreement with the Royal Bank of Canada. The original principal amount was \$940,000 and bears an annual interest rate of 3.70%. The loan is repayable by consecutive monthly blended payments of \$5,548, including interest, based on a 240-month amortization. The loan has a 36-month term and all outstanding principal and interest is payable in full at the end of the term. As security, the bank has a first ranking interest in all personal property of the Organization and also has a first fixed charge on the land and building (Note 4).

Long-term debt consists of the following:

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Principal amount outstanding	904,911	937,350	-
Less: current portion	33,660	32,439	-
Long-term portion	871,251	904,911	-

Principal repayments to the maturity date are as follows:

Fiscal year	\$
2014	33,660
2015	871,251
	904,911

Interest paid for the year ended March 31, 2013 totaled \$34,136 (March 31, 2012 - \$2,898).

6. Amount due to funders

The amount represents unspent funding that will be recovered by the funders in the next fiscal year.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

7. Deferred revenue

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Trusted projects	529,885	140,489	210,703
Daycare wage subsidy (Note 12)	(222)	9,523	3,053
Other programs	253,873	212,290	300,352
	783,536	362,302	514,108

The Organization administers certain projects under the terms of trustee agreements. Revenue is recognized for these projects to the extent of expenses incurred, with the unspent amounts included in deferred revenue.

8. Deferred capital grant

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Ministry of Children and Youth Services	1,300,000	660,000	-
Ontario Trillium Foundation	150,000	-	-
	1,450,000	660,000	-

The amount received from the Ministry of Children and Youth Services has been used towards the purchase of the building (Note 4). Amortization of the grant will be at the same rate as the building and will commence upon occupancy.

9. Invested in capital assets fund

The invested in capital assets fund consists of:

	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
Net book value of capital assets	3,808,921	2,965,287	368,172
Long-term debt	(904,911)	(937,350)	-
Deferred capital grant (Note 8)	(1,450,000)	(660,000)	-
	1,454,010	1,367,937	368,172

10. Capital building fund

The Capital building fund is an internally restricted account that was established by the Board with the aim to appropriate contributions, and record funds expended, towards the future development of the Organization's own building.

11. Transfer Payment Annual Reconciliation ("TPAR")

The Organization has five Service Contracts/CFSA (Child and Family Services Act) Approvals with the Ministry of Community and Social Services and the Ministry of Children and Youth Services. The contracts require the completion of an annual program reconciliation report that summarizes by service, all revenues and expenses and identifies any resulting surplus or deficit.

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

11. Transfer Payment Annual Reconciliation ("TPAR") (continued)

A review of these reports shows the following services to be in surplus (deficit) position for the year ended March 31, 2013:

						2013	2012
	V. A. W. (Counsel. Service)	V. A. W. (Perf. Mngt. Framework)	V. A. W. (Capacity Building)	Summer Jobs For Youth	C.A.C. (Transitional Support)	Total	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue per TPAR	124,853	2,100	5,500	4,212,082	69,555	4,414,090	4,521,788
Expenses per TPAR	145,472	2,100	5,500	4,215,826	83,618	4,452,516	4,511,014
Surplus (deficit) per TPAR	(20,619)	-	-	(3,744)	(14,063)	(38,426)	10,774

12. Toronto Children's Services wage grants

		Wage subsidy	P.E. Prior 98	P.E. 99-05	Wage improvement funding	2013 Total	2012 Total
		\$	\$	\$	\$	\$	\$
Deferred from prior years	(1)	9,523	-	-	-	9,523	3,053
Grants received							
Infant/Toddler		63,539	4,756	8,706	6,665	83,666	83,666
Pre-school/School Age		50,726	4,755	6,990	5,723	68,194	68,194
	(2)	114,265	9,511	15,696	12,388	151,860	151,860
Expense							
Infant/Toddler		62,008	4,756	8,706	6,665	82,135	71,734
Pre-school/School Age		62,002	4,755	6,990	5,723	79,470	73,656
	(3)	124,010	9,511	15,696	12,388	161,605	145,390
Wage subsidies returned to Children's Services this fiscal year	(4)	-	-	-	-	-	-
Wage subsidies deferred to future years (1) + (2) - (3) - (4)		(222)	-	-	-	(222)	9,523

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

13. Guarantees and commitments

(i) Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. The Organization's primary guarantees subject to the disclosure requirements of AcG-14 are as follows:

- a) The Organization has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements the Organization agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits, and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- b) Indemnity has been provided to all directors and or officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to association with the Organization, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a director or officer of the Organization. The maximum amount of any potential future payment cannot be reasonably estimated.
- c) In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Organization to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Organization from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Organization has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued in the balance sheet with respect to these agreements.

(ii) Commitments

The Organization has the following minimum lease commitments under operating leases, the latest expiry date of which is May 29, 2017:

Fiscal year	\$
2014	92,094
2015	63,642
2016	26,603
2017	26,603
2018	4,434
	<hr/>
	213,376

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

14. Financial instruments

Fair value

The fair value of the Organization's accounts receivable, accounts payable and accrued liabilities and amount due to funders approximates their carrying value due to their short-term maturity.

The Organization manages the risks associated with financial instruments as follows:

- Credit risk is the possibility that other parties may default on their financial obligations. The Organization manages its credit risk by renewing the allowance for potential credit losses on a regular basis.
- Interest rate risk is the risk that the fair value of financial instruments will fluctuate due to changes in market interest rates. The Organization manages this risk on investments by investing in short term investments, which limits exposure to this risk. The Organization's mortgage is at a fixed rate which allows The Organization to manage future cash flows.

15. Project classification

Tropicana has several restricted and unrestricted projects to complete. The funds for restricted projects are to be used for those specific projects only. The following are programs carried out by the Organization during the year:

Department

Program/Project

General

Administration/Capital Campaign/Fundraising

C.A.C. - Culturally Appropriate Counselling

Family Counselling
N.S.P. - Newcomer Settlement Program
V.A.W. - Violence Against Women
Transitional Support

Youth

Youth Development
A.R.T. - Aggression Replacement
Training
Defy Your Label

Education

Tutoring
Camp Tropicana
March Break Camp
Parent Support

Restricted

Children of Tomorrow Day Care Organizations

Pre-school/School Age
Infant/Toddler

A.Y.C.E. - Alternative Youth Centre for Employment

Employment Service
Employment Subsidies
Pre-apprenticeship Training Program
O.S.J.S. - Ontario Summer Jobs Service
Investing in Neighbourhood

Tropicana Community Services Organization

Notes to the financial statements

March 31, 2013 and 2012

15. Project classification (continued)

<u>Department</u>	<u>Program/Project</u>
Restricted (continued)	
Youth Resource Centre	Scarborough Youth Resource Centre Leading Youth to Viable Employment YRC-Trillium
Jobs for Youth	Summer Jobs For Youth
Trusted Projects	Building Sustainable Capacities YCF - Elevated Grounds Trillium - Elevated Grounds Trillium - NYICYG Pan Fantasy Steelband Dorset Park Youth Council Steeles/L'Amoreaux Youth Hub Steeles/L'Amoreaux Y.H. Construction Service Development Investment Program Youth Opportunities Program
Special Projects	Microsoft ProTech Media Centre Identify N' Impact

16. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include \$13,669 (March 31, 2012 - \$12,739 and April 1, 2011 - \$12,003) of income taxes, CPP and EI owing to the government.