

GRANDVIEW CHILDREN'S FOUNDATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

Independent Auditor's Report

TO THE DIRECTORS OF GRANDVIEW CHILDREN'S FOUNDATION

We have audited the accompanying financial statements of Grandview Children's Foundation, which comprise the statement of financial position as at March 31, 2017 and the statement of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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

As is the case with many charitable organizations, Grandview Children's Foundation derives a portion of its income from the general public in the form of fundraising activities and donations, which are not susceptible to complete audit verification. Accordingly, our verification of this revenue was limited to accounting for the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising activities and donations, excess of revenue over expenses, assets and unrestricted funds.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of Grandview Children's Foundation as at March 31, 2017 and the results of its operations, changes in net assets and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Dawn Flett & Associates

Chartered Professional Accountant

Licensed Public Accountant

June 5, 2017

Ajax, Ontario

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Revenues		
Fundraising activities and donations (Note 3)	\$ 843,610	\$ 527,103
Signature events (Note 4)	127,634	158,400
Lottery proceeds	-	3,720
Interest and dividend income	16,040	15,760
Realized gains (losses) on investments	1,309	(109)
Changes in market value for investments	<u>57,989</u>	<u>(16,391)</u>
	<u>1,046,582</u>	<u>688,483</u>
Expenses		
Special activities	16,537	2,433
General office	18,440	12,961
Information technology	9,368	5,909
Insurance	2,477	2,411
Memberships and subscriptions	2,233	834
Occupancy costs	8,400	8,400
Personnel and contract services	268,756	247,801
Postage	3,918	2,914
Professional fees	17,764	13,877
Promotion and publicity	34,273	28,747
Training	3,299	1,820
Travel	1,113	230
Lottery costs	-	1,239
	<u>386,578</u>	<u>329,576</u>
Excess of revenues over expenses before grants and allocations	<u>660,004</u>	<u>358,907</u>
Grants and allocations (Note 9)		
Grandview Children's Centre	(415,759)	(293,887)
Campbell Children's School	<u>(7,877)</u>	<u>(10,660)</u>
	<u>(423,636)</u>	<u>(304,547)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 236,368</u>	<u>\$ 54,360</u>

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
<u>INTERNALLY RESTRICTED FUNDS (NOTE 7)</u>		
Opening balance	\$ 204,000	\$ 179,000
Transfer from unrestricted funds	<u>-</u>	<u>25,000</u>
Closing balance	\$ <u>204,000</u>	\$ <u>204,000</u>
<u>UNRESTRICTED FUNDS</u>		
Opening balance	\$ 324,276	\$ 294,916
Excess of revenue over expenses	236,368	54,360
Transfer to restricted funds	<u>-</u>	<u>(25,000)</u>
Closing balance	\$ <u>560,644</u>	\$ <u>324,276</u>

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	<u>Lottery</u>	<u>General</u>	<u>Total 2017</u>	<u>Total 2016</u>
<u>ASSETS</u>				
Current				
Cash	\$ 77	\$ 587,520	\$ 587,597	\$ 333,484
Accounts receivable	-	14,034	14,034	6,556
Prepaid expenses	-	4,783	4,783	5,440
	<u>77</u>	<u>606,337</u>	<u>606,414</u>	<u>345,480</u>
Investments (Note 5)	-	582,635	582,635	503,158
Total Assets	<u>\$ 77</u>	<u>\$ 1,188,972</u>	<u>\$ 1,189,049</u>	<u>\$ 848,638</u>
<u>LIABILITIES</u>				
Current				
Accounts payable and accrued charges	\$ -	\$ 228,407	\$ 228,407	\$ 154,781
Deferred Contributions (Note 6)	<u>77</u>	<u>195,921</u>	<u>195,998</u>	<u>165,581</u>
Total Liabilities	<u>77</u>	<u>424,328</u>	<u>424,405</u>	<u>320,362</u>
<u>NET ASSETS</u>				
Internally restricted funds (Note 7)	-	204,000	204,000	204,000
Unrestricted funds	-	560,644	560,644	324,276
	-	764,644	764,644	528,276
Total Liabilities and Net Assets	<u>\$ 77</u>	<u>\$ 1,188,972</u>	<u>\$ 1,189,049</u>	<u>\$ 848,638</u>

Approved by the Board of Directors:



GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2017

	<u>2017</u>	<u>2016</u>
Cash provided by operating activities:		
Excess of revenue over expenses	\$ 236,368	\$ 54,360
Items not affecting cash:		
Changes in market value for investments	(57,989)	16,391
Changes in non-cash working capital:		
Accounts receivable	(7,478)	1,523
Prepaid expenses	657	(1,257)
Accounts payable and accrued charges	73,626	11,242
Deferred contributions	<u>30,417</u>	<u>(51,963)</u>
	<u>275,601</u>	<u>30,296</u>
Cash provided by (used for) investment activities		
Realized change in investments	<u>(21,488)</u>	<u>(9,186)</u>
Cash Provided	254,113	21,110
Cash, Beginning of Year	<u>333,484</u>	<u>312,374</u>
Cash, End of Year	<u><u>\$ 587,597</u></u>	<u><u>\$ 333,484</u></u>

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

1. Nature of Business

The Foundation was incorporated in Ontario without share capital in August 1995 and is a registered charity exempt from taxation under Paragraph 149(1)(f) of the Income Tax Act. The Foundation was established to receive donations and provide funding for programs and capital projects in support of developing the independence of children with disabilities.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund Accounting

The Foundation follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Organization's program of providing funding for programs and capital projects in support of its mandate as well as administrative activities required to sustain it. The fund reports unrestricted resources as well as resources restricted by external donors to specific programs.

The Lottery Fund reports restricted funds that are to be used for programming as well as unrestricted interest income or for fundraising purposes at the request of a third party.

(b) Capital Assets

Capital assets are amortized over the life of the assets. No capital assets were purchased in 2017 or 2016.

(c) Revenue Recognition

Unrestricted donations are recognized as revenue when the funds are received. Donations received for specific purposes are deferred until expenditures are made (Note 4). Fundraising revenues and investment income are recognized as earned except if restricted for a specific purpose which would defer recognition until expenditures are made. Investments are recorded at market value. Unrealized gains and losses are recognized as income.

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

2. Accounting Policies (Cont'd)

(d) Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates applicable to these financial statements include accounts receivable and accounts payable and accrued liabilities and deferred contributions.

(e) Contributed Services

The activities of the Foundation are dependent upon the voluntary services of many individuals. Due to the difficulty of determining their fair market value, donated services are not recognized in these financial statements.

3. Fundraising Activities and Donations

Included in Fundraising Activities and Donations on the Statement of Operations is \$131,761 transferred from Deferred Contributions. This amount represents \$23,215 for the current year's Golf Signature Event and \$108,546 in Special Projects and Specific Programs that were used during the year based on donor wishes. Expenditures relating to how these funds were utilized by Grandview Children's Centre and Campbell Children's School are included in Grants and Allocations identified in Note 9.

4. Signature Events

Signature events revenue, which includes the Golf Tournament, Gala and Run Ajax, is shown net of expenses of \$67,621 (2015:\$65,307).

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

5. Investments

Investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
Cash	\$ <u>7,587</u>	\$ <u>1,952</u>
MEASURED AT FAIR VALUE		
Canadian fixed income	74,418	81,451
Foreign fixed income	133,265	109,194
Canadian equities	213,623	202,622
Foreign equities	<u>153,742</u>	<u>107,939</u>
	<u>575,048</u>	<u>501,206</u>
	\$ <u>582,635</u>	\$ <u>503,158</u>

Investments consist of cash, fixed income investments in mutual funds and common shares. The Foundation follows a board approved investment policy.

6. Deferred Contributions

(a) General

Deferred Contributions represents funds received for a restricted purpose. They are recognized as income when the deliverables related to the restriction have been met. They are comprised of the following:

	<u>Opening Balance</u>	<u>Received In Year</u>	<u>Revenue Recognized</u>	<u>Closing Balance</u>
Golf Signature Event	\$ 23,215	\$ 21,300	\$ 23,215	\$ 21,300
Special Projects	25,970	-	500	25,470
Specific Programs	60,463	72,518	108,046	24,935
Grandview Kids				
Capital Campaign	<u>55,856</u>	<u>68,360</u>	-	<u>124,216</u>
	<u>\$ 165,504</u>	<u>\$ 162,178</u>	<u>\$ 131,761</u>	<u>\$ 195,921</u>

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

6. Deferred Contributions (Cont'd)

(b) Lottery	<u>2017</u>	<u>2016</u>
Opening balance	\$ 77	\$ 68
Current contribution (withdrawal)	<u>-</u>	<u>9</u>
Closing balance	<u>\$ 77</u>	<u>\$ 77</u>

7. Internally Restricted Funds

The Board of Directors approved the restriction of net assets of \$204,000 (2016- \$204,000) to ensure that funds would be available for Board-approved projects and unexpected funding shortfalls. Expenditures charged to this fund require Board approval.

8. Financial Instruments

Market Risk

The Foundation is exposed to market risk through the fluctuations of financial instrument fair values due to changes in the market prices. The Foundation is exposed to equity security price risk because of its investment in equities.

The Foundation follows an approved investment policy which meets the investor rules of the Trustees Act of Ontario with a conservative risk investment management style. A definition of eligible investments are described in the policy.

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2017

9. Grants and Allocations

The Foundation provided funding for grants and allocations in the following areas:

	<u>2017</u>	<u>2016</u>
Windfield Muscle Tone Clinic	\$ -	\$ 19,094
Speech and physiotherapy	14,338	35,662
Early intervention	-	20,825
Family support	-	28,500
Equipment and supplies	10,090	10,160
Youth Camp	10,000	11,000
Recreation	33,598	-
Literacy	35,253	1,881
Bursary	500	500
ABA program	6,558	20,000
Core programming and services	311,852	150,907
Research	-	2,000
Torticollis program	-	1,674
Other	1,447	2,344
	<u>\$ 423,636</u>	<u>\$ 304,547</u>

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current method of presentation.