

GRANDVIEW CHILDREN'S FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

Independent Auditor's Report

TO THE DIRECTORS OF GRANDVIEW CHILDREN'S FOUNDATION

Qualified Opinion

We have audited the accompanying financial statements of Grandview Children's Foundation, which comprise the statement of financial position as at March 31, 2019 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Grandview Children's Foundation as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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.

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 qualified 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.

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Independent Auditor's Report (Cont'd)

In preparing the financial statements, management is responsible for assessing the organizations 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 organizations 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 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 based on these financial statements.

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 organization'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 organizations 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.

Dawn Flett & Associates

Chartered Professional Accountant

Licensed Public Accountant

June 3, 2019
Ajax, Ontario

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>General Operating</u>	<u>Restricted</u>	<u>Total 2019</u>	<u>Total 2018</u>
Revenues				
Fundraising activities and donations (Note 4)	\$ 910,134	\$ 1,711,204	\$ 2,621,338	\$ 2,228,831
Signature events	244,301	-	244,301	202,326
Interest and dividend income	31,945	38,021	69,966	33,203
Realized gains (losses) on investments	-	-	-	(28)
Changes in market value for investments	21,302	-	21,302	6,584
Other income	-	-	-	2,394
	<u>1,207,682</u>	<u>1,749,225</u>	<u>2,956,907</u>	<u>2,473,310</u>
Expenses				
Signature events	84,292	-	84,292	59,567
General office	21,655	-	21,655	20,185
Information technology	11,778	3,979	15,757	20,357
Insurance	2,583	-	2,583	2,524
Memberships and subscriptions	3,845	-	3,845	1,709
Occupancy costs	8,400	-	8,400	8,400
Personnel and contract services	253,560	46,091	299,651	287,290
Postage	3,119	-	3,119	5,053
Professional fees	7,484	96,802	104,286	42,980
Promotion and publicity	18,587	50,693	69,280	47,228
Training	2,580	-	2,580	2,356
	<u>417,883</u>	<u>197,565</u>	<u>615,448</u>	<u>497,649</u>
Excess of revenues over expenses before grants and allocations	<u>789,799</u>	<u>1,551,660</u>	<u>2,341,459</u>	<u>1,975,661</u>
Grants and allocations (Note 8)				
Grandview Children's Centre	(714,000)	(28,815)	(742,815)	(546,290)
Campbell Children's School	-	(1,672)	(1,672)	(1,597)
	<u>(714,000)</u>	<u>(30,487)</u>	<u>(744,487)</u>	<u>(547,887)</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 75,799</u>	<u>\$ 1,521,173</u>	<u>\$ 1,596,972</u>	<u>\$ 1,427,774</u>

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<u>INTERNALLY RESTRICTED FUNDS (NOTE 5)</u>		
Opening balance	\$ 250,000	\$ 204,000
Transfer from unrestricted funds	-	46,000
Closing balance	<u>\$ 250,000</u>	<u>\$ 250,000</u>
 <u>UNRESTRICTED FUNDS (NOTE 6)</u>		
Opening balance	\$ 667,435	\$ 560,644
Excess of revenues over expenses	75,799	152,791
Transfer to internal restricted funds	-	<u>(46,000)</u>
Closing balance	<u>\$ 743,234</u>	<u>\$ 667,435</u>
 <u>EXTERNALLY RESTRICTED FUNDS</u>		
Opening balance	\$ 1,399,199	\$ 124,216
Excess of revenues over expenses	<u>1,521,173</u>	<u>1,274,983</u>
Closing balance	<u>\$ 2,920,372</u>	<u>\$ 1,399,199</u>

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	<u>General</u>	<u>Restricted</u>	<u>Restricted Lottery</u>	<u>Total 2019</u>	<u>Total 2018</u>
<u>ASSETS</u>					
Current					
Cash	\$ 522,294	\$ 878,760	\$ 77	\$ 1,401,131	\$ 838,853
Accounts receivable	13,211	-	-	13,211	8,786
Prepaid expenses	6,053	1,851	-	7,904	7,594
Due from General to operating	<u>(16,560)</u>	<u>16,560</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>524,998</u>	<u>897,171</u>	<u>77</u>	<u>1,422,246</u>	<u>855,233</u>
Investments (Note 3)	<u>897,435</u>	<u>2,023,726</u>	<u>-</u>	<u>2,921,161</u>	<u>1,840,371</u>
Total Assets	<u>\$ 1,422,433</u>	<u>\$ 2,920,897</u>	<u>\$ 77</u>	<u>\$ 4,343,407</u>	<u>\$ 2,695,604</u>
<u>LIABILITIES</u>					
Current					
Accounts payable and accrued charges	\$ 401,544	\$ 525	\$ -	\$ 402,069	\$ 289,420
Deferred Contributions (Note 4)	<u>27,655</u>	<u>-</u>	<u>77</u>	<u>27,732</u>	<u>89,550</u>
Total Liabilities	<u>429,199</u>	<u>525</u>	<u>77</u>	<u>429,801</u>	<u>378,970</u>
<u>NET ASSETS</u>					
Internally restricted funds (Note 5)	250,000	-	-	250,000	250,000
Externally restricted funds	-	2,920,372	-	2,920,372	1,399,199
Unrestricted funds	<u>743,234</u>	<u>-</u>	<u>-</u>	<u>743,234</u>	<u>667,435</u>
	<u>993,234</u>	<u>2,920,372</u>	<u>-</u>	<u>3,913,606</u>	<u>2,316,634</u>
Total Liabilities and Net Assets	<u>\$ 1,422,433</u>	<u>\$ 2,920,897</u>	<u>\$ 77</u>	<u>\$ 4,343,407</u>	<u>\$ 2,695,604</u>



Approved by the Board of Directors:

GRANDVIEW CHILDREN'S FOUNDATION

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
Cash provided by operating activities:		
Excess of revenue over expenses	\$ 1,596,972	\$ 1,427,774
Changes in non-cash working capital:		
Accounts receivable	(4,425)	5,248
Prepaid expenses	(310)	(2,811)
Accounts payable and accrued charges	112,649	61,013
Deferred contributions	(61,818)	17,768
	<u>1,643,068</u>	<u>1,508,992</u>
Cash provided by (used for) investment activities		
Realized change in investments	<u>(1,080,790)</u>	<u>(1,257,736)</u>
Cash Provided	562,278	251,256
Cash, Beginning of Year	<u>838,853</u>	<u>587,597</u>
Cash, End of Year	<u>\$ 1,401,131</u>	<u>\$ 838,853</u>

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

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.

The Restricted Fund accounts for the restricted funds to be used to build and support the new facility for Grandview Children's Centre as well as support for current programming.

(b) Capital Assets

Capital assets are amortized over the life of the assets. No capital assets were purchased in 2019 or 2018.

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

2. Accounting Policies (Cont'd)

(c) Revenue Recognition

Unrestricted donations are recognized as revenue when the funds are received. Fundraising revenues and investment income are recognized as earned. Investments are recorded at market value. Unrealized gains and losses are recognized as income.

(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.

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

3. Investments

Investments are comprised of the following:

	<u>General Operating</u>	<u>Restricted</u>	<u>2019</u>	<u>2018</u>
Cash and short term investments	\$ 16,609	\$ 2,023,726	\$ 2,040,335	\$ 1,090,802
MEASURED AT FAIR VALUE				
Canadian fixed income	278,972	-	278,972	74,870
Foreign fixed income	136,239	-	136,239	246,404
Canadian equities	225,435	-	225,435	261,247
Foreign equities	240,180	-	240,180	167,048
	<u>880,826</u>	<u>-</u>	<u>880,826</u>	<u>749,569</u>
	<u>\$ 897,435</u>	<u>\$ 2,023,726</u>	<u>\$ 2,921,161</u>	<u>\$ 1,840,371</u>

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

4. 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>Transfer To Restricted</u>	<u>Closing Balance</u>
Golf Signature Event	\$ 28,255	\$ 27,655	\$ 28,255	\$ -	\$ 27,655
Special Project	25,570	-	20,056	5,514	-
Specific Programs	35,648	-	-	35,648	-
	<u>\$ 89,473</u>	<u>\$ 27,655</u>	<u>\$ 48,311</u>	<u>\$ 41,162</u>	<u>\$ 27,655</u>

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

4. Deferred Contributions (Cont'd)

Expenditures related 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 7.

(b) Lottery	<u>2019</u>	<u>2018</u>
Opening/Closing balance	\$ <u>77</u>	\$ <u>77</u>

(c) Restricted Donations

All 2018/19 fundraising activities and donations are restricted for capital and on going support of current and future programming for Grandview Children's Centre.

5. Internally Restricted Funds

The Board of Directors approved the restriction of net assets of \$250,000 (2018- \$250,000) to ensure that funds would be available for Board-approved projects and unexpected funding shortfalls. Expenditures charged to this fund require Board approval.

6. Unrestricted Funds

These funds may be used for future annual grants to Grandview Children's Centre and/or to augment funding for capital and ongoing support of current and future programming for Grandview Children's Centre.

7. 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.

GRANDVIEW CHILDREN'S FOUNDATION

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2019

7. Financial Instruments (Cont'd)

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.

8. Grants and Allocations

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

	<u>2019</u>	<u>2018</u>
Equipment and supplies	\$ 1,672	\$ -
Recreation	28,815	17,212
Bursary	-	500
Core programming and services	714,000	528,000
Other	-	2,175
	<u>\$ 744,487</u>	<u>\$ 547,887</u>

9. Comparative Figures

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