

Financial Statements of

**WINDSOR-ESSEX CARE FOR  
KIDS FOUNDATION**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Windsor-Essex Care For Kids Foundation

We have audited the accompanying financial statements of Windsor-Essex Care for Kids Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising 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.

### *Auditors' 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 our 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, we consider 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 audit opinion.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Foundation derives revenues from donations and various 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 in the records of the entity and we were not able to determine whether any adjustments might be necessary to donations and other income, excess of revenue over expenses, assets and net assets.



*Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for a Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Windsor-Essex Care for Kids Foundation as at December 31, 2014, and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

*KPMG LLP*

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that extends to the right.

Chartered Professional Accountants, Licensed Public Accountants

April 20, 2015  
Windsor, Canada

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Assets</b>		
Current assets:		
Cash	\$ 176,211	\$ 203,229
Investments (note 2)	125,000	75,000
Accounts receivable	51,832	40,743
Interest receivable	384	238
HST receivable	6,796	3,824
Prepaid expenses and deposits	2,087	4,096
<b>Total assets</b>	<b>\$ 362,310</b>	<b>\$ 327,130</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 5,000	\$ 5,000
Unearned revenue	-	20,800
	5,000	25,800
Net assets:		
Unrestricted	59,752	67,907
Internally restricted (note 4)	297,558	233,423
	357,310	301,330
	<b>\$ 362,310</b>	<b>\$ 327,130</b>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Donation revenue	\$ 186,741	\$ 253,987
Fundraising revenue (note 5)	26,191	17,609
Extravaganza fundraising, net of expenses of \$77,950 (2013 - \$18,608)	157,252	33,049
Interest income	512	776
	<u>370,696</u>	<u>305,421</u>
Expenses:		
Accounting and legal	4,677	4,698
Administrative	1,180	1,174
Advertising and promotion	5,924	7,348
Auto donation expenses	144	144
Bank charges	556	978
Fundraising expenses	2,007	1,213
Insurance	2,356	2,238
Licence and fees	275	75
Meetings	1,311	1,921
Office supplies	701	544
Raffle	1,391	1,232
Salaries and benefits	53,388	48,720
Strategic planning	1,433	1,855
	<u>75,343</u>	<u>72,140</u>
Excess of revenue over expenses	<u>\$ 295,353</u>	<u>\$ 233,281</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2014, with comparative information for 2013

	Internally restricted	Unrestricted	2014 Total	2013 Total
Balance, beginning of year	\$ 233,423	\$ 67,907	\$ 301,330	\$ 455,048
Excess of revenue over expenses		295,353	295,353	233,281
Internally imposed restrictions	303,508	(303,508)	-	-
Contributions to benefiting parties (note 3)	(239,373)		(239,373)	(386,999)
Balance, end of year	\$ 297,558	\$ 59,752	\$ 357,310	\$ 301,330

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 295,353	\$ 233,281
Change in non-cash operating working capital:		
Increase in accounts receivable	(11,089)	(845)
Decrease (increase) in interest receivable	(146)	390
Decrease (increase) in HST receivable	(2,972)	1,904
Decrease (increase) in prepaid expenses and deposits	2,009	(2,798)
Decrease in accounts payable and accrued liabilities	-	(1,041)
Increase (decrease) in unearned revenue	(20,800)	20,800
	<u>262,355</u>	<u>251,691</u>
Investing activities:		
Decrease (increase) in investments	(50,000)	225,000
Contributions to benefiting parties	(239,373)	(386,999)
	<u>(289,373)</u>	<u>(161,999)</u>
Increase (decrease) in cash	(27,018)	89,692
Cash, beginning of year	203,229	113,537
Cash, end of year	<u>\$ 176,211</u>	<u>\$ 203,229</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements

Year ended December 31, 2014

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Windsor-Essex Care for Kids Foundation (the "Foundation") was incorporated on April 8, 2005. The Foundation enhances the health and well being of children in Windsor and Essex County through fundraising initiatives.

The Foundation is a registered charity and is classified as a public foundation under Section 149.1 (1)(g) of the Income Tax Act (Canada) and as such, is exempt from income tax.

## 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CICA Handbook.

### (a) Revenue recognition:

The Foundation follows the restricted fund method of accounting under which restricted contributions are recognized as revenue of the restricted fund when received.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

### (b) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.



# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

### (c) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

### (d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 2. Investments:

The Foundation's investments at December 31, 2014 consist of guaranteed investment certificates amounting to \$125,000 (2013 - \$75,000) that are scheduled to mature September 4, 2015. The interest rate for the GIC outstanding at year-end of \$125,000 is 0.95%.

## 3. Contributions to benefiting parties:

During the year, the Foundation transferred the following amounts to benefiting parties:

	2014	2013
Windsor Regional Hospital Foundation	\$ 215,037	\$ 332,103
Leamington District Memorial Hospital Foundation	7,565	43,938
John McGivney Children's Centre	9,102	10,000
Windsor-Essex Therapeutic Riding Association	7,669	958
	<u>\$ 239,373</u>	<u>\$ 386,999</u>

## 4. Internally restricted fund balance:

The internally restricted fund balance consists of amounts to be paid to:

	2014	2013
Windsor Regional Hospital Foundation	\$ 276,599	\$ 209,087
Leamington District Memorial Hospital Foundation	-	7,565
John McGivney Children's Centre	11,759	9,102
Windsor-Essex Therapeutic Riding Association	9,200	7,669
	<u>\$ 297,558</u>	<u>\$ 233,423</u>

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 5. Lottery raffle activity:

During the 2014 year, the Foundation had the following lottery raffle activity:

	2014 General lottery raffle	2014 Gala lottery raffle
Revenue	\$ 10,930	\$ 6,210
Less: expenses	1,045	346
	9,885	5,864
Less: hold backs	(385)	(114)
Paid to Windsor Regional Hospital	\$ 9,500	\$ 5,750

During the 2013 year, the Foundation had the following lottery raffle activity:

	2013 General lottery raffle	2013 Gala lottery raffle
Revenue	\$ 7,400	\$ 3,310
Less: expenses	1,144	88
	6,256	3,222
Less: hold backs	(56)	(122)
Paid to Windsor Regional Hospital	\$ 6,200	\$ 3,100

The amounts above were included in contributions paid to benefiting parties in 2014 and 2013 (note 3).

## 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2013 - \$nil).

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## **7. Financial risks and concentration of credit risk:**

The Foundation manages its investment portfolio to earn investment income. The Foundation is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

The Foundation believes that it is not exposed to significant interest-rate, market, credit or cash flow risk arising from its financial instruments.

Additionally, the Foundation believes it is not exposed to significant liquidity risk as all investments are cashable and can be disposed of to settle commitments.