

Financial Statements of

**WINDSOR-ESSEX CARE FOR  
KIDS FOUNDATION**

Year ended December 31, 2018

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## INDEPENDENT AUDITORS' REPORT

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

### ***Qualified Opinion***

We have audited the financial statements of Windsor-Essex Care for Kids Foundation (the "Foundation"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations.

### ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Foundation.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at end of December 31, 2018 and December 31, 2017



- the fundraising revenues and excess of revenues over expenses reported in the statements of operations for the years ended December 31, 2018 and December 31, 2017
- the unrestricted net assets, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended December 31, 2018 and December 31, 2017
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2018 and December 31, 2017.

Our opinion on the financial statements for year ended December 31, 2017 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 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.

In preparing the financial statements, management is responsible for assessing the Foundation's 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 Foundation or to cease operations, or has no realistic alternative but to do so.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada

Approval date

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# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash	\$ 413,255	\$ 162,165
Investments (note 2)	-	100,000
Accounts receivable	46,616	100,033
Interest receivable	-	140
HST receivable	10,508	4,262
Prepaid expenses and deposits	3,326	3,926
<b>Total assets</b>	<b>\$ 473,705</b>	<b>\$ 370,526</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 5,373	\$ 5,000
Unearned revenue	2,600	5,350
	7,973	10,350
Net assets:		
Unrestricted	129,727	102,993
Internally restricted (note 4)	336,005	257,183
	465,732	360,176
	<b>\$ 473,705</b>	<b>\$ 370,526</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, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Donation revenue	\$ 235,834	\$ 246,619
Fundraising revenue	65,364	82,583
Raffle revenue, net of expenses (note 5)	32,480	24,869
Gala and events fundraising, net of expenses of \$105,773 (2017 - \$99,587)	174,767	84,608
Interest income	-	337
	<u>508,445</u>	<u>439,016</u>
Expenses:		
Accounting and legal	4,677	4,677
Administrative	1,326	1,205
Advertising and promotion	2,236	717
Auto donation expenses	32	112
Bank charges	2,054	1,338
Fundraising expenses	10,825	4,902
Insurance	1,682	1,928
Licence and fees	175	170
Meetings	1,711	1,503
Office supplies	1,760	1,185
Recognition wall	627	-
Salaries and benefits	81,341	62,240
Strategic planning	4,560	4,916
	<u>113,006</u>	<u>84,893</u>
Excess of revenue over expenses	\$ 395,439	\$ 354,123

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2018, with comparative information for 2017

	Internally restricted	Unrestricted	2018 Total	2017 Total
Balance, beginning of year	\$ 257,183	\$ 102,993	\$ 360,176	\$ 422,148
Excess of revenue over expenses		395,439	395,439	354,123
Internally imposed restrictions	368,705	(368,705)	-	-
Contributions to benefiting parties (note 3)	(289,883)		(289,883)	(416,095)
Balance, end of year	\$ 336,005	\$ 129,727	\$ 465,732	\$ 360,176

See accompanying notes to financial statements.

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# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 395,439	\$ 354,123
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	53,417	(74,215)
Decrease in interest receivable	140	247
Increase in HST receivable	(6,246)	(1,137)
Decrease (increase) in prepaid expenses and deposits	600	(2,872)
Decrease in accounts payable and accrued liabilities	373	-
Decrease in unearned revenue	(2,750)	(12,650)
	<u>440,973</u>	<u>263,496</u>
Investing activities:		
Decrease in investments	100,000	65,000
Contributions to benefiting parties	(289,883)	(416,095)
	<u>(189,883)</u>	<u>(351,095)</u>
Increase (decrease) in cash	251,090	(87,599)
Cash, beginning of year	162,165	249,764
Cash, end of year	<u>\$ 413,255</u>	<u>\$ 162,165</u>

See accompanying notes to financial statements.

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# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

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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, 2018

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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, 2018

## 2. Investments:

The Foundation's investments at December 31, 2017 consisted of guaranteed investment certificates amounting to \$100,000 that matured October 19, 2018.

## 3. Contributions to benefiting parties:

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

	2018	2017
Windsor Regional Hospital Foundation	\$ 205,190	\$ 179,902
Leamington District Memorial Hospital Foundation	-	30,834
John McGivney Children's Centre	10,000	50,000
Windsor-Essex Therapeutic Riding Association	3,430	15,368
Ronald McDonald House	64,846	133,333
Learning Disabilities Association of Windsor-Essex	3,559	6,658
Bullying Canada	1,358	-
Erie Shores Healthcare	1,500	-
	\$ 289,883	\$ 416,095

## 4. Internally restricted fund balance:

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

	2018	2017
Windsor Regional Hospital Foundation	\$ 302,655	\$ 172,490
John McGivney Children's Centre	4,686	10,000
Windsor-Essex Therapeutic Riding Association	3,736	3,430
Learning Disabilities Association of Windsor-Essex	2,308	3,559
Erie Shores Health Care	12,470	1,500
Windsor Essex Child Youth Advocacy Centre	10,150	-
Ronald McDonald House	-	64,846
Bullying Canada Inc.	-	1,358
	\$ 336,005	\$ 257,183

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

## 5. Lottery raffle activity:

During the 2018 year, the Foundation had the following lottery raffle activity:

	2018 General lottery raffle	2018 Gala lottery raffle
Revenue	\$ 59,700	\$ 2,770
Less: expenses	29,920	70
	29,780	2,700
Add: previous years' hold backs	220	-
Paid to Windsor Regional Hospital Foundation	\$ 30,000	\$ 2,700

During the 2017 year, the Foundation had the following lottery raffle activity:

	2017 General lottery raffle	2017 Gala lottery raffle
Revenue	\$ 56,900	\$ -
Less: expenses	32,031	-
	24,869	
Add: previous years' hold backs	131	-
Paid to Windsor Regional Hospital Foundation	\$ 25,000	\$ -

The amounts above were included in contributions paid to benefiting parties in 2018 and 2017 (note 3).

## 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$342 (2017 - \$nil).

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2018

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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.

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