

Financial Statements of

**WINDSOR-ESSEX CARE FOR  
KIDS FOUNDATION**

Year ended December 31, 2011



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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 balance sheet as at December 31, 2011 and the statements of revenue, expenses and fund balances 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 generally accepted accounting principles, 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 an 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 fund balances.

*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 Cares For Kids Foundation as at December 31, 2011, and its results of operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*KPMG LLP*

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

Chartered Accountants, Licensed Public Accountants

April 16, 2012  
Windsor, Canada

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Balance Sheet

December 31, 2011, with comparative figures for 2010

	2011	2010
<b>Assets</b>		
Current assets:		
Cash	\$ 172,230	\$ 281,127
Investments (note 3)	200,000	-
Accounts receivable	-	69,652
Interest receivable	308	-
HST receivable	5,923	2,904
Prepaid expenses and deposits	3,637	1,318
	<u>\$ 382,098</u>	<u>\$ 355,001</u>

## Liabilities and Fund Balance

Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,001	\$ 5,000
Unearned revenue	15,750	-
	<u>20,751</u>	<u>5,000</u>
Fund balance:		
Unrestricted	78,468	74,923
Internally restricted (note 5)	282,879	275,078
	<u>361,347</u>	<u>350,001</u>
	<u>\$ 382,098</u>	<u>\$ 355,001</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Revenue, Expenses and Fund Balance

Year ended December 31, 2011, with comparative figures for 2010

	2011	2010
<b>Revenue:</b>		
Donation revenue	\$ 312,792	\$ 259,651
Fundraising revenue (note 6)	36,481	55,593
Extravaganza fundraising, net of expenses of \$36,061 (2010 - \$26,942)	39,889	50,757
Interest income	819	1,215
	<u>389,981</u>	<u>367,216</u>
<b>Expenses:</b>		
Accounting and legal	4,989	4,920
Administrative	12,115	-
Advertising and promotion	11,873	5,110
Auto donation expenses	-	88
Bank charges	557	1,064
Fundraising expenses	1,247	84
Insurance	2,130	2,578
Licence and fees	-	150
Meetings	1,045	1,636
Office supplies	935	1,704
Raffle	1,076	779
Recognition wall	754	-
Salaries and benefits	35,316	43,888
Strategic planning	526	1,536
	<u>72,563</u>	<u>63,537</u>
Excess of revenue over expenses	317,418	303,679
Fund balance, beginning of year	350,001	465,755
Contributions to benefiting parties (note 4)	(306,072)	(419,433)
Fund balance, end of year	<u>\$ 361,347</u>	<u>\$ 350,001</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2011, with comparative figures for the year ended December 31, 2010

	2011	2010
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 317,418	\$ 303,679
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	69,652	(69,537)
Decrease (increase) in interest receivable	(308)	1,370
Increase in HST receivable	(3,019)	(1,467)
Decrease (increase) in prepaid expenses and deposits	(2,319)	174
Increase (decrease) in accounts payable and accrued liabilities	1	(1,646)
Increase in unearned revenue	15,750	-
	<u>397,175</u>	<u>232,573</u>
Investments:		
Decrease (increase) in investments	(200,000)	361,700
Contributions to benefiting parties	(306,072)	(419,433)
	<u>(506,072)</u>	<u>(57,733)</u>
Increase (decrease) in cash	(108,897)	174,840
Cash, beginning of year	281,127	106,287
Cash, end of year	<u>\$ 172,230</u>	<u>\$ 281,127</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements

Year ended December 31, 2011

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## 1. Incorporation:

Windsor Essex Care For Kids Foundation (the "Foundation") was incorporated on April 8 2005. The Foundation is dedicated to enhancing the health and wellness 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.

## 2. Significant accounting policies:

- (a) The Foundation follows generally accepted accounting principles for such organizations as recommended by the Canadian Institute of Chartered Accountants:

The accounts for the Foundation are maintained and the accompanying financial statements are prepared using the following basis of fund accounting:

- (i) Contributions are recorded using the restricted fund method under which restricted contributions are recognized as revenue of the restricted fund when received. Unrestricted contributions are recognized as revenue of the unrestricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (ii) All investment income is recorded as revenue of the unrestricted fund when earned.

- (b) Use of estimates:

The preparation of 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 revenues and expenses during the year. Actual results could differ from those estimates.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2011

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## 2. Significant accounting policies (continued):

### (c) Financial instruments:

Financial assets are classified as either "held-for-trading", "held-to-maturity", "available-for-sale" or "loans and receivables" and financial liabilities are classified as either "held-for-trading" or "other liabilities". Financial assets and liabilities classified as held-for-trading are measured at fair value with changes in fair value recorded in the statement of revenue and expenses. Financial assets classified as held-to-maturity or loans and receivables and financial liabilities classified as other liabilities are subsequently measured at amortized costs using the effective interest method. Available-for-sale financial assets that have a quoted market price in an active market are measured at fair value with changes in fair value recorded in changes in the statement of revenue and expenses.

The Foundation has classified its financial instruments as follows:

- Cash is classified as held-for-trading
- Investments are classified as available-for-sale
- Accounts receivable, interest receivable and HST receivable are classified as loans and receivables
- Accounts payable and accrued liabilities are classified as other liabilities

## 3. Investments:

The Foundation's investments at December 31, 2011 consist of guaranteed investment certificates amounting to \$200,000 (2010 - \$nil) that were scheduled to mature between August 21, 2012 and November 30, 2012. Both GICs were redeemed early, on March 22, 2012. The interest rate for the GIC's for the period outstanding was 0.75% on the GIC for \$75,000 and 1.0% on the GIC for \$125,000.



# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2011

## 4. Contributions to benefiting parties:

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

	2011	2010
Windsor Regional Hospital	\$ 193,094	\$ 258,153
Hotel Dieu Grace Hospital	36,766	84,000
Leamington District Memorial Hospital	15,180	43,280
John McGivney Centre	27,300	29,000
Windsor Allergy Asthma Education Center	-	5,000
Windsor- Essex Therapeutic Riding Association	33,732	-
	<u>\$ 306,072</u>	<u>\$ 419,433</u>

## 5. Internally restricted fund balance:

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

	2011	2010
Windsor Regional Hospital	\$ 243,363	\$ 162,100
Hotel Dieu Grace Hospital	22,164	36,766
Leamington District Memorial Hospital	14,426	15,180
John McGivney Centre	2,926	27,300
Windsor-Essex Therapeutic Riding Association	-	33,732
	<u>\$ 282,879</u>	<u>\$ 275,078</u>

The 2010 amounts were paid during fiscal 2011 (see note 4).

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2011

## 6. Lottery raffle activity:

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

	General lottery raffle	Gala lottery raffle
Revenue	\$ 13,870	\$ 3,780
Less: expenses	501	575
	13,369	3,205
Less: hold backs	-	(105)
Add: previous years holdbacks	1,406	-
Paid to Windsor Regional Hospital	\$ 14,775	\$ 3,100

These amounts were included in contributions paid to benefiting parties in 2010 (note 4).

## 7. Fair value of financial assets and financial liabilities:

The fair value of the Foundations's cash, investments, accounts receivable, interest receivable, HST receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the relative short period to maturity of the instruments.

## 8. Future accounting pronouncements:

In November 2010, the Accounting Standards Board of the Canadian Institute of Chartered Accountants ("CICA") issued Part III of the CICA Handbook that sets out the accounting standards for not-for-profit organizations that are effective for fiscal years beginning on or after January 1, 2012, with an option to early adopt. The Foundation is currently evaluating the impact of these standards.