

Financial Statements of

**WINDSOR-ESSEX CARE FOR  
KIDS FOUNDATION**

Year ended December 31, 2013



KPMG LLP  
Chartered Accountants  
618 Greenwood Centre  
3200 Deziel Drive  
Windsor ON N8W 5K8

Telephone (519) 251-3500  
Telefax (519) 251-3530  
(519) 251-3540  
Internet www.kpmg.ca

## 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, 2013, 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, 2013, 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 letters are slanted and connected, with a long horizontal stroke underneath the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

April 28, 2014  
Windsor, Canada

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
<b>Assets</b>		
Current assets:		
Cash	\$ 203,229	\$ 113,537
Investments (note 2)	75,000	300,000
Accounts receivable	40,743	39,898
Interest receivable	238	628
HST receivable	3,824	5,728
Prepaid expenses and deposits	4,096	1,298
<b>Total assets</b>	<b>\$ 327,130</b>	<b>\$ 461,089</b>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 5,000	\$ 6,041
Unearned revenue	20,800	-
	<u>25,800</u>	<u>6,041</u>
Net assets:		
Unrestricted	67,907	77,349
Internally restricted (note 4)	233,423	377,699
	<u>301,330</u>	<u>455,048</u>
	<b>\$ 327,130</b>	<b>\$ 461,089</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, 2013, with comparative information for 2012

	2013	2012
Revenue:		
Donation revenue	\$ 253,987	\$ 322,626
Fundraising revenue (note 5)	17,609	16,425
Extravaganza fundraising, net of expenses of \$18,608 (2012 - \$58,186)	33,049	115,722
Interest income	776	1,036
	<u>305,421</u>	<u>455,809</u>
Expenses:		
Accounting and legal	4,698	4,782
Administrative	1,174	4,242
Advertising and promotion	7,348	6,418
Auto donation expenses	144	16
Bank charges	978	795
Fundraising expenses	1,213	1,144
Insurance	2,238	2,300
Licence and fees	75	-
Meetings	1,921	911
Office supplies	544	1,250
Raffle	1,232	473
Recognition wall	-	100
Salaries and benefits	48,720	33,377
Strategic planning	1,855	2,706
	<u>72,140</u>	<u>58,514</u>
Excess of revenue over expenses	<u>\$ 233,281</u>	<u>\$ 397,295</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Changes in Net Assets

Year ended December 31, 2013, with comparative information for 2012

	Internally restricted	Unrestricted	2013 Total	2012 Total
Balance, beginning of year	\$ 377,699	\$ 77,349	\$ 455,048	\$ 361,347
Excess of revenue over expenses	-	233,281	233,281	397,295
Internally imposed restrictions	242,723	(242,723)	-	-
Contributions to benefiting parties (note 3)	(386,999)	-	(386,999)	(303,594)
Endowment contributions	-	-	-	-
Balance, end of year	\$ 233,423	\$ 67,907	\$ 301,330	\$ 455,048

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

## Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 233,281	\$ 397,295
Change in non-cash operating working capital:		
Increase in accounts receivable	(845)	(39,898)
(Increase) decrease in interest receivable	390	(320)
Decrease in HST receivable	1,904	195
(Increase) decrease in prepaid expenses and deposits	(2,797)	2,339
Increase (decrease) in accounts payable and accrued liabilities	(1,041)	1,040
Increase (decrease) in unearned revenue	20,800	(15,750)
	<u>251,691</u>	<u>344,901</u>
Investing activities:		
Decrease (increase) in investments	225,000	(100,000)
Contributions to benefiting parties	(386,999)	(303,594)
	<u>(161,999)</u>	<u>(403,594)</u>
Increase (decrease) in cash	89,692	(58,693)
Cash, beginning of year	113,537	172,230
Cash, end of year	<u>\$ 203,229</u>	<u>\$ 113,537</u>

See accompanying notes to financial statements.

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements

Year ended December 31, 2013

---

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, 2013

---

## 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, 2013

---

## 2. Investments:

The Foundation's investments at December 31, 2013 consist of guaranteed investment certificates amounting to \$75,000 (December 31, 2012 - \$300,000) that are scheduled to mature August 8, 2014. The interest rate for the GIC outstanding at year end of \$75,000 is 0.80%.

## 3. Contributions to benefiting parties:

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

	2013	2012
Windsor Regional Hospital	\$ 332,103	\$ 264,078
Hotel Dieu Grace Hospital	-	22,164
Leamington District Memorial Hospital	43,938	14,426
John McGivney Children's Centre	10,000	2,926
Windsor-Essex Therapeutic Riding Association	958	-
	<hr/>	<hr/>
	\$ 386,999	\$ 303,594

## 4. Internally restricted fund balance:

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

	2013	2012
Windsor Regional Hospital	\$ 209,087	\$ 322,803
Leamington District Memorial Hospital	7,565	43,938
John McGivney Children's Centre	9,102	10,000
Windsor-Essex Therapeutic Riding Association	7,669	958
	<hr/>	<hr/>
	\$ 233,423	\$ 377,699

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 5. Lottery raffle activity:

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
	6256	3,222
Less: hold backs	(56)	(122)
Add: previous years holdbacks	-	-
Paid to Windsor Regional Hospital	\$ 6,200	\$ 3,100

During the 2012 year, the Foundation had the following lottery raffle activity:

	2012 General lottery raffle	2012 Gala lottery raffle
Revenue	\$ 10,515	\$ 2,540
Less: expenses	365	108
	10,150	2,432
Less: hold backs	(150)	(137)
Add: previous years holdbacks	-	105
Paid to Windsor Regional Hospital	\$ 10,000	\$ 2,400

The amounts above were included in contributions paid to benefiting parties in 2013 and 2012 (note 3).

## 6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2012 - \$nil).

# WINDSOR-ESSEX CARE FOR KIDS FOUNDATION

Notes to Financial Statements (continued)

Year ended December 31, 2013

---

## **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.