



Financial Statements

Surrey Place Centre Charitable Foundation

March 31, 2015

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Independent Auditor's Report

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To the Directors of
Surrey Place Centre Charitable Foundation

We have audited the accompanying financial statements of Surrey Place Centre Charitable Foundation, which comprise the statement of financial position as at March 31, 2015, 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.

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.

Auditor's 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 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 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 qualified audit opinion.

Independent Auditor's Report (continued)

Basis for qualified opinion

In common with many not-for-profit organizations, the Foundation derives revenue from contributions from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue 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 contributions, excess (deficiency) of revenue over expenses, and cash flows for the years ended March 31, 2015 and March 31, 2014, current assets as at March 31, 2015 and March 31, 2014, and net assets as at April 1, 2014 and 2013 and March 31, 2015 and 2014. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

Qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Surrey Place Centre Charitable Foundation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

The signature of Grant Thornton LLP is written in a cursive, handwritten style in black ink.

Toronto, Canada
October 28, 2015

Chartered Professional Accountants
Licensed Public Accountants

Surrey Place Centre Charitable Foundation
Statement of Financial Position

March 31	2015	2014
Assets		
Current		
Cash	\$ 4,596	\$ 27,501
Receivables	1,900	233
Prepaid expenses	<u>14,660</u>	<u>10,801</u>
	21,156	38,535
Investments - externally restricted, at market value (Note 3)	35,535	35,535
Investments - unrestricted, at market value (Note 3)	<u>1,094,242</u>	<u>1,017,219</u>
	<u>\$ 1,150,933</u>	<u>\$ 1,091,289</u>
Liabilities		
Current		
Accounts payable and accrued liabilities (Notes 4 and 5)	\$ 120,647	\$ 43,405
Net assets		
Externally restricted (Note 6)	35,535	35,535
Unrestricted	<u>994,751</u>	<u>1,012,349</u>
	<u>1,030,286</u>	<u>1,047,884</u>
	<u>\$ 1,150,933</u>	<u>\$ 1,091,289</u>

On behalf of the Board of Directors

_____ Director _____ Director

Surrey Place Centre Charitable Foundation Statement of Operations

Year ended March 31	2015	2014
Revenue		
Contributions - General	\$ 24,404	\$ 37,692
Contributions - Foundations	17,000	20,841
Contributions - Corporate	1,575	5,000
Special events	10,146	16,484
Investment income	<u>51,121</u>	<u>49,094</u>
	<u>104,246</u>	<u>129,111</u>
Expenses (Note 5)		
Donor relations	51,017	18,227
Operations	54,946	40,999
Special events	<u>3,142</u>	<u>2,268</u>
	<u>109,105</u>	<u>61,494</u>
(Deficiency) excess of revenue over expenses before other items	<u>(4,859)</u>	<u>67,617</u>
Other items		
Contributions to Surrey Place Centre (Note 5)	(47,713)	(50,000)
Unrealized gain on investments	<u>34,974</u>	<u>37,666</u>
	<u>(12,739)</u>	<u>(12,334)</u>
(Deficiency) excess of revenue over expenses	<u>\$ (17,598)</u>	<u>\$ 55,283</u>

Surrey Place Centre Charitable Foundation Statement of Changes in Net Assets

Year ended March 31

	Externally restricted	Unrestricted	Total 2015	Total 2014
Net assets, beginning of year	\$ 35,535	\$ 1,012,349	\$ 1,047,884	\$ 992,601
(Deficiency) excess of revenue over expenses	<u>-</u>	<u>(17,598)</u>	<u>(17,598)</u>	<u>55,283</u>
Net assets, end of year	<u>\$ 35,535</u>	<u>\$ 994,751</u>	<u>\$ 1,030,286</u>	<u>\$ 1,047,884</u>

Surrey Place Centre Charitable Foundation

Statement of Cash Flows

Year ended March 31	2015	2014
Increase (decrease) in cash		
Operating		
(Deficiency) excess of revenue over expenses	\$ (17,598)	\$ 55,283
Items not affecting cash		
Gain on sale of investments included in investment income	(7,806)	(10,788)
Unrealized (gain) loss on investments	<u>(34,974)</u>	<u>(37,666)</u>
	(60,378)	6,829
Change in non-cash working capital items		
Receivables	(1,667)	91
Prepaid expenses	(3,859)	(4,207)
Accounts payable and accrued liabilities	<u>77,242</u>	<u>20,291</u>
	<u>11,338</u>	<u>23,004</u>
Investing		
Purchase of investments	(380,875)	(1,013,651)
Proceeds on disposal of investments	<u>346,632</u>	<u>985,405</u>
	<u>(34,243)</u>	<u>(28,246)</u>
Decrease in cash	(22,905)	(5,242)
Cash		
Beginning of year	<u>27,501</u>	<u>32,743</u>
End of year	<u>\$ 4,596</u>	<u>\$ 27,501</u>

Surrey Place Centre Charitable Foundation

Notes to the Financial Statements

March 31, 2015

1. Nature of operations

Surrey Place Centre Charitable Foundation (the "Foundation"), was incorporated under the laws of Ontario on May 4, 1989, as a not-for-profit corporation without share capital. The Foundation qualifies for tax exempt status as a Canadian registered charity and is recognized as a non-profit organization as defined in paragraph 149(1)(l) of the Income Tax Act (Canada). The Foundation receives and applies its funding for the benefit of people with developmental disabilities.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to the excess (deficiency) of revenue over expenses in the fiscal year they become known.

Items subject to management's estimates include allowance for doubtful accounts and accrued liabilities.

Externally restricted net assets

Externally restricted net assets consist of amounts designated for specific purposes by donors, as follows:

(i) **Research Endowment fund**

Net assets restricted for endowments by donors are to be used solely for the purpose of research and will be held in trust by the Foundation for a minimum of ten years.

(ii) **Education fund**

Net assets restricted for education have been externally restricted by donors to be used solely for the purpose of staff education and development, and other educational activities to promote the issues of developmental disabilities.

(iii) **Other designated funds**

Net assets restricted by donors for various purposes.

Surrey Place Centre Charitable Foundation

Notes to the Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Unrestricted contributions and restricted contributions in which a separate restricted fund has been established are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income and special events revenue are recognized when earned.

Contributed services and materials

Volunteers contribute time in carrying out services. Also, the Foundation receives contributions of materials. Due to the difficulty in determining their fair value, contributed services and materials are not recognized in the financial statements.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Foundation's financial instruments consist of cash, receivables, investments, and accounts payable.

Financial assets or liabilities obtained in arms length transactions are initially measured at their fair value and financial assets or liabilities obtained in related party transactions are measured at their exchange amount.

The Foundation subsequently measures all of its financial assets and liabilities at amortized cost, except for investments. Investments held by the Foundation are recorded at market value.

3. Investments, at market value

	<u>2015</u>	<u>2014</u>
Canadian bonds	\$ 671,887	\$ 610,226
Canadian equities	223,926	223,633
International equities	<u>233,964</u>	<u>218,895</u>
	1,129,777	1,052,754
Less: Investments externally restricted	<u>35,535</u>	<u>35,535</u>
	<u>\$ 1,094,242</u>	<u>\$ 1,017,219</u>

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances owing of \$Nil (2014 - \$Nil).

Surrey Place Centre Charitable Foundation

Notes to the Financial Statements

March 31, 2015

5. Related party transactions

The Surrey Place Centre Charitable Foundation and Surrey Place Centre (the "Centre") are separate legal entities whose financial information is reported separately. The Centre is a registered Canadian charity that receives and applies its funding for the benefit of people with developmental disabilities and its objectives are similar to those of the Foundation.

During the fiscal year, the Foundation extended a grant to the Centre in the amount of \$47,713 (2014 - \$50,000).

Included in accounts payable and accrued liabilities of the Foundation at year end is \$112,575 (2014 - \$37,532) due to the Centre arising from the Centre's payment of the Foundation's expenses, including \$74,570 (2014 - \$22,332) in human resource costs included in donor relations and operations expenses. The Centre and Foundation share common premises and operational staff. The Foundation is not charged for occupancy by the Centre.

Amounts due to the Centre are unsecured, non-interest bearing and due on demand.

6. Externally restricted net assets

	<u>2015</u>	<u>2014</u>
Research Endowment fund	\$ 33,325	\$ 33,325
Education fund	1,590	1,590
Other designated funds	<u>620</u>	<u>620</u>
	<u>\$ 35,535</u>	<u>\$ 35,535</u>

7. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to market price risk through its investments. The Foundation mitigates this risk by investing in financial instruments that are expected to have a low susceptibility of significant fluctuations in market prices.

Surrey Place Centre Charitable Foundation

Notes to the Financial Statements

March 31, 2015

7. Financial instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting the obligations associated with its financial liabilities. The Foundation is exposed to this risk mainly in respect of its accounts payable. The Foundation reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due.

(c) Other risks

It is management's opinion that the Foundation is not exposed to significant credit, currency, interest rate cash flow risk or interest rate risk arising from its financial instruments. The allowance for doubtful accounts in relation to receivables is \$Nil (2014 - \$Nil).