

Bloorview Kids Rehab Foundation

Financial Statements

March 31, 2006

May 19, 2006

Auditors' Report

To the Directors of Bloorview Kids Rehab Foundation

We have audited the balance sheet of **Bloorview Kids Rehab Foundation** as at March 31, 2006 and the statement of revenues, operating expenses, distributions and fund balances for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Bloorview Kids Rehab Foundation** as at March 31, 2006 and the results of its operations, its fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP
Chartered Accountants

Bloorview Kids Rehab Foundation

Balance Sheet

As at March 31, 2006

	2006 \$	2005 \$
Assets		
Current assets		
Cash	504,175	53,509
Accrued interest	74,851	68,105
Other receivables and prepaid expenses	10,503	18,297
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	589,529	139,911
Investments - at cost (market value - \$10,759,641; 2005 - \$9,320,475) (note 3)	9,210,489	8,323,061
Equipment - net of accumulated amortization of \$67,288 (2005- \$55,460)	8,006	12,591
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	9,808,024	8,475,563
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	31,929	6,700
Deferred revenue	11,000	11,000
Due to Bloorview Kids Rehab	204,525	343,045
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	247,454	360,745
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Fund Balances		
Endowment	1,159,759	1,145,820
Externally restricted	2,961,680	1,630,867
General	5,439,131	5,338,131
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	9,560,570	8,114,818
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	9,808,024	8,475,563
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Approved by the Board of Directors

_____ Director

_____ Director

Bloorview Kids Rehab Foundation

Statement of Revenues, Operating Expenses, Distributions and Fund Balances For the year ended March 31, 2006

				2006	2005
	Endowment Fund \$	Externally Restricted Fund \$	General Fund \$	Total \$	Total \$
Revenues					
Donation and pledge revenue	10,925	4,855,099	280,686	5,146,710	2,396,553
Special events - net (note 4)	-	296,873	478,560	775,433	683,963
Bequests	-	-	275,677	275,677	1,561,085
Investment income	3,014	102,278	603,858	709,150	447,011
	13,939	5,254,250	1,638,781	6,906,970	5,088,612
Operating expenses					
Salaries and fundraising consulting	-	315,866	636,448	952,314	974,936
Administration	-	107,181	136,197	243,378	234,952
Fundraising activities	-	-	29,334	29,334	34,160
	-	423,047	801,979	1,225,026	1,244,048
Excess of revenues over operating expenses before distributions	13,939	4,831,203	836,802	5,681,944	3,844,564
Distributions					
Bloorview Kids Rehab					
Capital	-	3,010,716	-	3,010,716	1,531,932
Programs, Research and Education	-	489,674	735,802	1,225,476	1,460,275
	-	3,500,390	735,802	4,236,192	2,992,207
Excess of revenues over operating expenses and distributions for the year	13,939	1,330,813	101,000	1,445,752	852,357
Fund balances - Beginning of year	1,145,820	1,630,867	5,338,131	8,114,818	7,262,461
Fund balances - End of year	1,159,759	2,961,680	5,439,131	9,560,570	8,114,818

Bloorview Kids Rehab Foundation

Notes to Financial Statements

March 31, 2006

1 Purpose of the Foundation

Bloorview MacMillan Children's Foundation has changed its name to Bloorview Kids Rehab Foundation. The new name of the Foundation remains subject to the approval of the Ministry of Government Services, Companies Branch. The Foundation was incorporated without share capital under the laws of the Province of Ontario on January 29, 1992 and registered as a charity under Section 149(1) of the Income Tax Act on January 1, 1993. The Foundation's operations commenced April 1, 1993. The Foundation generates, manages and distributes funds for the benefit of Bloorview Kids Rehab (Bloorview), which provides rehabilitation and habilitation services to children and young adults with disabilities and long-term needs.

2 Summary of significant accounting policies

These financial statements have been prepared by the Foundation's management in accordance with Canadian generally accepted accounting principles.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, which consist of donations, bequests and proceeds from special events.

The financial statements separately disclose the activities of the following funds maintained by the Foundation:

- Endowment Fund

Represents resources contributed for endowment, whereby only the income earned on the principal amount is available for use by the Foundation for activities specified by the contributors or the Board of Directors.

- Externally Restricted Fund

Represents restricted resources that are to be used as designated by the donor.

- General Fund

Represents the Foundation's unrestricted revenue, which supports the programs, services and research of Bloorview, and the Foundation's operations.

Revenue and expense recognition

The Foundation has been in a strategic campaign to raise donations in support of Bloorview's Building Fund, Research Institute, Programs and Services, Education and Equipment. Donation, pledge revenue and bequests are recognized as revenue in the appropriate fund when received. Fundraising event revenue and expenses are recognized in the respective fund in the year the event takes places. Unrestricted investment income is accrued as it is earned in the General Fund. Restricted investment income earned on the endowment and other restricted funds are accrued in the fund balances as it is earned.

As of March 31, 2006, the outstanding balance on all pledges was \$9,734,370, which is expected to be received over the next seven years.

Bloorview Kids Rehab Foundation

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Investments

Investments are recorded at cost and written down to market only if other than temporary impairment in value exists.

When determining if an other than temporary impairment in value exists, management considers the nature of the investments, the length of time an impairment has existed, how long the investment is expected to be held and the factors causing the decline in impairment.

Donated services

The Foundation benefits from the services of volunteers, the fair value which is not reflected in these financial statements.

Financial instruments

The carrying values of accounts payable and accrued liabilities and due to Bloorview Kids Rehab approximate their fair value due to their short-term nature.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3 Investments

The Foundation invests in a portfolio that is held for long-term investment purposes. The components of that portfolio are as follows:

	<u>Cost</u>		<u>Market</u>	
	2006	2005	2006	2005
	\$	\$	\$	\$
Common shares	4,535,531	3,462,946	5,989,545	4,293,432
Corporate bonds	1,570,540	1,564,287	1,627,585	1,659,007
Government bonds	2,502,030	2,849,583	2,530,491	2,913,118
Cash and treasury bills	602,388	446,245	612,020	454,918
	<u>9,210,489</u>	<u>8,323,061</u>	<u>10,759,641</u>	<u>9,320,475</u>

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The government and corporate bonds mature as follows:

	\$
Fiscal	
2011	396,860
2012	819,360
2013	359,855
2014	1,126,235
2015 and thereafter	<u>1,370,260</u>
	<u>4,072,570</u>

4 Special events - net

	<u>2006</u>		<u>2005</u>	
	Restricted funds	General funds	Restricted funds	General funds
	\$	\$	\$	\$
Revenue	297,383	587,601	325,091	475,551
Expenses	510	109,041	11,286	105,393
	<u>296,873</u>	<u>478,560</u>	<u>313,805</u>	<u>370,158</u>

5 Related party transactions

Distributions to Bloorview include support for research, equipment, capital projects and special programs and services needed to assist patients, clients and families of Bloorview.

6 Commitments

The Board of Directors has approved the fiscal 2007 Business Plan, which includes total grants of \$2,737,638 (\$1,500,000 capital) to be distributed to Bloorview during the course of the year ending March 31, 2007.

7 Statement of cash flows

A statement of cash flows has not been presented, as the information is evident in the existing financial statements.