

# **Bloorview Kids Rehab Foundation**

Financial Statements

**March 31, 2007**

May 28, 2007

## **Auditors' Report**

### **To the Members of Bloorview Kids Rehab Foundation**

We have audited the balance sheet of **Bloorview Kids Rehab Foundation** as at March 31, 2007 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, 2007 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, Licensed Public Accountants**

# Bloorview Kids Rehab Foundation

Balance Sheet

As at March 31, 2007

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	2007 \$	2006 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	68,429	504,175
Accrued interest	121,251	74,851
Other receivables and prepaid expenses	17,553	10,503
	<hr/>	<hr/>
	207,233	589,529
<b>Investments</b> (note 3)	13,667,127	9,210,489
<b>Equipment</b> - net of accumulated amortization of \$76,574 (2006 - \$67,288)	12,690	8,006
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	13,887,050	9,808,024
	<hr/>	<hr/>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	6,600	31,929
Deferred revenue	10,000	11,000
Due to Bloorview Kids Rehab	270,189	204,525
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	286,789	247,454
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<b>Fund Balances</b>		
<b>Endowment</b>	3,341,368	1,159,759
<b>Externally restricted</b>	3,939,175	2,961,680
<b>General</b>	6,319,718	5,439,131
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	13,600,261	9,560,570
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	13,887,050	9,808,024
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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, 2007

				2007	2006
	Endowment Fund \$	Externally Restricted Fund \$	General Fund \$	Total \$	Total \$
<b>Revenues</b>					
Donation and pledge revenue	650,100	5,563,423	788,845	7,002,368	5,146,710
Special events - net (note 4)	-	258,319	402,454	660,773	775,433
Bequests	-	-	266,009	266,009	275,677
Investment income	31,509	91,197	660,400	783,106	709,150
	<u>681,609</u>	<u>5,912,939</u>	<u>2,117,708</u>	<u>8,712,256</u>	<u>6,906,970</u>
<b>Operating expenses</b>					
Salaries and fundraising consulting	-	-	953,137	953,137	952,314
Administration	-	127,410	207,279	334,689	243,378
Fundraising activities	-	-	73,090	73,090	29,334
	<u>-</u>	<u>127,410</u>	<u>1,233,506</u>	<u>1,360,916</u>	<u>1,225,026</u>
<b>Excess of revenues over operating expenses before distributions</b>	<u>681,609</u>	<u>5,785,529</u>	<u>884,202</u>	<u>7,351,340</u>	<u>5,681,944</u>
<b>Distributions</b>					
Bloorview Kids Rehab (note 5)					
Capital	-	1,717,854	-	1,717,854	3,010,716
Programs, Research and Education	-	1,590,180	3,615	1,593,795	1,225,476
	<u>-</u>	<u>3,308,034</u>	<u>3,615</u>	<u>3,311,649</u>	<u>4,236,192</u>
<b>Excess of revenues over operating expenses and distributions for the year</b>	<u>681,609</u>	<u>2,477,495</u>	<u>880,587</u>	<u>4,039,691</u>	<u>1,445,752</u>
<b>Fund balances - Beginning of year</b>	1,159,759	2,961,680	5,439,131	9,560,570	8,114,818
<b>Interfund transfer from Externally Restricted Fund to Endowment Fund (note 6)</b>	1,500,000	(1,500,000)	-	-	-
<b>Fund balances - End of year</b>	<u>3,341,368</u>	<u>3,939,175</u>	<u>6,319,718</u>	<u>13,600,261</u>	<u>9,560,570</u>

# Bloorview Kids Rehab Foundation

Notes to Financial Statements

March 31, 2007

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## 1 Purpose of the Foundation

Bloorview Kids Rehab Foundation (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

The following is a summary of the significant accounting policies followed in preparation of these financial statements.

### 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

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 place. 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, 2007, the outstanding balance on all pledges was \$4,875,373, which is expected to be received over the next five years.

# **Bloorview Kids Rehab Foundation**

Notes to Financial Statements

**March 31, 2007**

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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.

## **Equipment**

Equipment is carried at cost and amortized on a straight-line basis over three to five years.

In accordance with The Canadian Institute of Chartered Accountants Handbook Section 3063, the Foundation reviews equipment assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable and exceeds fair value. The impairment loss is measured as the extent to which the carrying value exceeds the fair value.

## **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.

# Bloorview Kids Rehab Foundation

Notes to Financial Statements

March 31, 2007

## 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>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	\$	\$	\$	\$
Equities	6,072,038	4,535,531	7,597,869	5,989,545
Corporate bonds	2,714,195	1,570,540	2,794,965	1,627,585
Government bonds	4,444,555	2,502,030	4,540,576	2,530,491
Cash and treasury bills	436,339	602,388	446,775	612,020
	<u>13,667,127</u>	<u>9,210,489</u>	<u>15,380,185</u>	<u>10,759,641</u>

The government and corporate bonds mature as follows:

	\$
2009	197,860
2010	294,030
2011	597,500
2012	819,360
2013	663,005
2014	1,126,235
2015 and thereafter	<u>3,460,760</u>
	<u>7,158,750</u>

## 4 Special events - net

	<u>2007</u>		<u>2006</u>	
	<b>Restricted funds</b>	<b>General funds</b>	<b>Restricted funds</b>	<b>General funds</b>
	\$	\$	\$	\$
Revenue	259,666	494,196	297,383	587,601
Expenses	1,347	91,742	510	109,041
	<u>258,319</u>	<u>402,454</u>	<u>296,873</u>	<u>478,560</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.

# **Bloorview Kids Rehab Foundation**

Notes to Financial Statements

**March 31, 2007**

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## **6 Interfund transfer**

During the year, \$1,500,000 was transferred from the Externally Restricted Fund to the Endowment Fund. These funds were raised through the “Help Us Defy Disability” campaign to support Bloorview’s building fund, research institute, programs and services, education and equipment. The Board of Directors approved the transfer to establish a Chair in Participation for the Research Institute at Bloorview. An additional \$500,000 will be transferred from the Externally Restricted Fund to the Endowment Fund for the same purpose in each of the next three years.

## **7 Commitments**

The Board of Directors has approved the fiscal 2008 Business Plan, which includes total grants of \$2,775,189 (\$1,500,000 capital) to be distributed to Bloorview during the course of the year ending March 31, 2008.

## **8 Statement of cash flows**

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