
GREEN THUMBS GROWING KIDS

FINANCIAL STATEMENTS

DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members,
Green Thumbs Growing Kids

We have audited the accompanying financial statements of Green Thumbs Growing Kids, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and 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 organization'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 organization'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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the organization, and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenses for the year, assets and net assets.

Qualified Opinion

In our opinion, except for the possible 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 Green Thumbs Growing Kids as at December 31, 2017, 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.



Chartered Professional Accountants
Licensed Public Accountants

June 25, 2018
Toronto, Ontario

GREEN THUMBS GROWING KIDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2017

	2017	2016
ASSETS		
Current assets		
Cash	\$ 72,594	\$ 59,765
Amounts receivable	12,482	11,112
HST recoverable	1,539	1,386
Prepaid expenses	<u>2,256</u>	<u>2,510</u>
	<u>\$ 88,871</u>	<u>\$ 74,773</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,769	\$ 6,394
Deferred contributions (note 4)	<u>63,237</u>	<u>23,813</u>
	<u>73,006</u>	<u>30,207</u>
Net assets		
Unrestricted	<u>15,865</u>	<u>44,566</u>
	<u>\$ 88,871</u>	<u>\$ 74,773</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

GREEN THUMBS GROWING KIDS

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
REVENUE		
Contributions (notes 4 and 5)	\$ 177,265	\$ 184,974
Fundraising	15,849	2,066
Service fees	8,122	26,977
Membership fees	360	304
Interest	<u>191</u>	<u>187</u>
	<u>201,787</u>	<u>214,508</u>
EXPENSES		
Personnel	180,616	194,502
Program	15,300	20,568
Occupancy costs	12,777	12,648
Office and general	11,250	8,213
Professional fees	4,746	3,932
Board and staff development	2,101	1,268
Insurance	1,983	1,996
Fundraising	1,144	333
Travel	<u>571</u>	<u>1,045</u>
	<u>230,488</u>	<u>244,505</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(28,701)	(29,997)
Net assets, beginning of year	<u>44,566</u>	<u>74,563</u>
NET ASSETS, END OF YEAR	<u>\$ 15,865</u>	<u>\$ 44,566</u>

see accompanying notes

GREEN THUMBS GROWING KIDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (28,701)	\$ (29,997)
Net change in non-cash working capital items (see below)	<u>41,530</u>	<u>(3,950)</u>
NET CASH INCREASE (DECREASE) IN THE YEAR	12,829	(33,947)
Cash, beginning of year	<u>59,765</u>	<u>93,712</u>
CASH, END OF YEAR	<u>\$ 72,594</u>	<u>\$ 59,765</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (1,370)	\$ (6,140)
HST recoverable	(152)	1,785
Prepaid expenses	254	456
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	3,375	2,417
Deferred contributions	<u>39,423</u>	<u>(2,468)</u>
	<u>\$ 41,530</u>	<u>\$ (3,950)</u>

see accompanying notes

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

Green Thumbs Growing Kids (the organization, GTGK) is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The organization's mission is to teach urban children and their families to grow and appreciate fresh, nutritious foods, grown in an environmentally sustainable and socially just manner, in hands-on programs.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

Contributions

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred revenue. Externally restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized.

Unrestricted contributions, including donations and amounts received from fundraising, is recorded when received.

Contributed materials and services

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

Fees for service

Fee for service revenue is recognized in the period in which the services are performed.

Membership fees

Membership revenue is recognized as revenue on a straight-line basis over the term of the membership. Membership fees received related to future periods are deferred.

Interest income

Interest income is recognized as revenue when earned.

Use of estimates

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Estimates are primarily used in determining accruals. Actual results could differ from those estimates.

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

3. FINANCIAL RISK MANAGEMENT

GTGK's main financial risk exposures and its financial risk management policies are as follows:

Credit risk

Credit risk is the risk one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. GTGK's maximum exposures to credit risk represents the sum of the carrying value of its cash, accounts receivable and HST receivable. GTGK's cash is deposited with a Canadian chartered bank and as a result, management believes the risk of loss on this item to be unlikely. Management of GTGK reviews and monitors the collection of accounts receivable and HST receivable and believes these balances outstanding as at December 31, 2017 are collectible and an allowance is not warranted on the amounts due.

Liquidity risk

Liquidity risk is the risk that GTGK cannot meet a demand for cash or fund its obligations as they become due. Management ensures sufficient liquidity is maintained by regularly monitoring its cash flow requirements. Management of GTGK believes that existing cash balances and cash flows generated from operations are sufficient to meet GTGK's financial liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

i) Currency risk

Currency risk is the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. GTGK's financial instruments are all denominated in Canadian dollars and it transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. GTGK's cash earns interest at prevailing market rates and the interest rate exposure related to these financial instruments is negligible. As a result, management does not believe it is exposed to significant interest rate risk.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of the changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Since GTGK does not have investments in publicly traded marketable securities, management does not believe it is exposed to significant other price risk.

Changes in risk

There are no significant changes in risk exposure from the previous year.

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

4. DEFERRED CONTRIBUTIONS

Deferred contributions at year end are as follows:

	2017	2016
Ontario Trillium Foundation	\$ 28,124	\$ -
LUSH Charity Pot	12,630	-
Osin Foundation	9,650	-
The Gosling Foundation	5,705	-
ECHO Foundation	2,505	3,028
George Lunan Foundation	2,000	-
Mondelez Canada Inc.	1,662	-
Whole Kids Foundation	961	-
Murray R. O'Neil Charitable Foundation	-	10,000
Toronto Foundation	-	8,232
Peter Gilgan Foundation	-	2,553
	<u>\$ 63,237</u>	<u>\$ 23,813</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 23,813	\$ 26,282
Add cash received from contributions	216,689	182,505
Less contribution revenue recognized	<u>(177,265)</u>	<u>(184,974)</u>
Deferred contributions, end of year	<u>\$ 63,237</u>	<u>\$ 23,813</u>

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

5. CONTRIBUTIONS

Contribution revenue is as follows:

	2017	2016
Grants		
City of Toronto		
Investing In Neighbourhoods	\$ 19,399	\$ 21,684
Service Canada: Canada Summer Jobs	18,869	23,965
Sustain Ontario	14,500	-
ECHO Foundation	13,024	6,972
LUSH Charity Pot	12,100	18,473
Ontario Trillium Foundation	11,076	28,300
Murray R. O'Neil Charitable Foundation	10,000	1,911
Government of Ontario		
Ontario 150 Community Celebration Program	9,272	-
Toronto Foundation		
Vital Youth Program	8,232	6,768
Vital Ideas Program	-	2,532
Marjorie & Joseph Wright Memorial Foundation	7,000	-
The Gosling Foundation	4,295	-
Bill Morneau and Nancy McCain Foundation	3,000	-
Lloyd Carr-Harris Foundation	3,000	-
Peter Gilgan Foundation	2,553	-
Kiwanis Club of Toronto	2,500	-
Acapella Foundation	2,276	-
McLean Foundation	2,000	4,000
Mondelez Canada Inc.- Kraft Cares	1,838	8,500
Whole Kids Foundation	1,630	-
Landscape Ontario	1,000	-
Osin Foundation	350	-
Canada Post Community Foundation	-	10,000
USC Canada	-	4,000
Toronto Christian Resource Centre	-	3,985
Other	<u>1,127</u>	<u>-</u>
Total grants	149,041	141,090
Donations	<u>28,224</u>	<u>43,884</u>
	<u>\$ 177,265</u>	<u>\$ 184,974</u>