
GREEN THUMBS GROWING KIDS

FINANCIAL STATEMENTS

DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Green Thumbs Growing Kids,

Opinion

We have audited the financial statements of Green Thumbs Growing Kids (the organization), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Green Thumbs Growing Kids as at December 31, 2018 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donation and fundraising revenue, 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

April 24, 2019
Toronto, Ontario

GREEN THUMBS GROWING KIDS

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$ 82,341	\$ 72,594
Amounts receivable	4,616	12,482
HST recoverable	1,718	1,539
Prepaid expenses	<u>2,994</u>	<u>2,256</u>
	<u>\$ 91,669</u>	<u>\$ 88,871</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,809	\$ 9,769
Deferred contributions (note 3)	<u>27,914</u>	<u>63,237</u>
	<u>31,723</u>	<u>73,006</u>
Net assets		
Unrestricted	<u>59,946</u>	<u>15,865</u>
	<u>\$ 91,669</u>	<u>\$ 88,871</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, 2018

	2018	2017
REVENUE		
Contributions (notes 3 and 4)	\$ 255,511	\$ 177,265
Fundraising	20,980	15,849
Service fees	14,691	8,122
Interest	338	191
Membership fees	<u>219</u>	<u>360</u>
	<u>291,739</u>	<u>201,787</u>
EXPENSES		
Personnel	186,119	180,616
Program	23,215	15,300
Occupancy costs	12,416	12,777
Professional fees	8,432	4,746
Fundraising	7,238	1,144
Office and general	5,751	11,250
Travel	1,822	571
Insurance	1,811	1,983
Board and staff development	652	2,101
Website	<u>202</u>	<u>-</u>
	<u>247,658</u>	<u>230,488</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	44,081	(28,701)
Net assets, beginning of year	<u>15,865</u>	<u>44,566</u>
NET ASSETS, END OF YEAR	<u>\$ 59,946</u>	<u>\$ 15,865</u>

see accompanying notes

GREEN THUMBS GROWING KIDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 44,081	\$ (28,701)
Net change in non-cash working capital items (see below)	<u>(34,334)</u>	<u>41,530</u>
NET CASH INCREASE IN THE YEAR	9,747	12,829
Cash, beginning of year	<u>72,594</u>	<u>59,765</u>
CASH, END OF YEAR	<u><u>\$ 82,341</u></u>	<u><u>\$ 72,594</u></u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ 7,866	\$ (1,370)
HST recoverable	(180)	(152)
Prepaid expenses	(738)	254
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(5,959)	3,375
Deferred contributions	<u>(35,323)</u>	<u>39,423</u>
	<u><u>\$ (34,334)</u></u>	<u><u>\$ 41,530</u></u>

see accompanying notes

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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.

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.

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

3. DEFERRED CONTRIBUTIONS

Deferred contributions at year end are as follows:

	2018	2017
Osin Foundation	\$ 8,348	\$ 9,650
Trust under the will of Sir Joseph Flavelle for St. Luke's United Church	5,000	-
Toronto Parks and Trees Foundation	4,843	-
Mondelez Canada Inc.	3,500	1,662
The Gosling Foundation	3,223	5,705
Bill Morneau and Nancy McCain Foundation	3,000	-
Ontario Trillium Foundation	-	28,124
LUSH Charity Pot	-	12,630
ECHO Foundation	-	2,505
The George Lunan Foundation	-	2,000
Whole Kids Foundation	-	961
	<u>\$ 27,914</u>	<u>\$ 63,237</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 63,237	\$ 23,814
Add cash received from contributions	220,188	216,688
Less contribution revenue recognized	<u>(255,511)</u>	<u>(177,265)</u>
Deferred contributions, end of year	<u>\$ 27,914</u>	<u>\$ 63,237</u>

GREEN THUMBS GROWING KIDS

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. CONTRIBUTIONS

Contribution revenue is as follows:

	2018	2017
Grants		
Ontario Trillium Foundation	\$ 32,424	\$ 11,076
The Natural Sciences and Engineering Research Council of Canada (NSERC)	27,500	-
Toronto Parks and Trees Foundation	25,157	-
Service Canada: Canada Summer Jobs	25,155	18,869
City of Toronto		
Investing In Neighbourhoods	15,332	19,399
ECHO Foundation	15,005	13,024
LUSH Charity Pot	12,630	12,100
Osin Foundation	11,302	350
Government of Ontario		
Ontario Ministry of Citizenship and Immigration	8,000	-
Ontario 150 Community Celebration Program	-	9,272
Peter Gilgan Foundation	6,000	2,553
The Lewis Cohen Family Foundation	5,000	-
Marjorie & Joseph Wright Memorial Foundation	4,000	7,000
Whole Kids Foundation	3,446	1,630
Bill Momeau and Nancy McCain Foundation	3,000	3,000
Lloyd Carr-Harris Foundation	3,000	3,000
The Ontario Teachers Insurance Plan (OTIP)	3,000	-
World Wildlife Fund Canada	3,000	-
Friends of the Greenbelt Foundation	2,500	-
The Gosling Foundation	2,482	4,295
F.K. Morrow Foundation	2,000	-
The George Lunan Foundation	2,000	-
Toronto Foundation		
Buchman Fund	2,000	-
Vital Youth Program	-	8,232
Mondelez Canada Inc.- Kraft Cares	1,662	1,838
Sustain Ontario	-	14,500
Murray R. O'Neil Charitable Foundation	-	10,000
Kiwanis Club of Toronto	-	2,500
Acapella Foundation	-	2,276
McLean Foundation	-	2,000
Landscape Ontario	-	1,000
Other	<u>102</u>	<u>1,127</u>
Total grants	215,697	149,041
Donations	<u>39,814</u>	<u>28,224</u>
	<u>\$ 255,511</u>	<u>\$ 177,265</u>
