

Financial Statements of

**CHANGING LIVES  
TOGETHER FOUNDATION**

And Independent Auditors' Report thereon

Year ended June 30, 2019



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors

### ***Opinion***

We have audited the financial statements of Changing Lives Together Foundation (the Foundation), which comprise:

- the statement of financial position as at June 30, 2019
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Foundation as at June 30, 2019, and its results of operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian Accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Foundation 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 for the Financial Statements and Those Charged with Governance***

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditors' 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 auditors' 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 the financial statements.

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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Foundation 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.
- 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.



Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada  
October 22, 2019

# CHANGING LIVES TOGETHER FOUNDATION

Statement of Financial Position

June 30, 2019, with comparative information for 2018

	General Fund		Restricted Fund		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current assets:						
Cash	\$ 448,065	\$ 1,328,529	\$ 784,169	\$ 3,596,929	\$ 1,232,234	\$ 4,925,458
Short-term investments (note 3)	313,325	-	1,100,684	-	1,414,009	-
Accounts receivable	-	-	3,800	157,172	3,800	157,172
HST receivable	8,893	5,111	11,760	36,097	20,653	41,208
Interest receivable	-	1,500	-	-	-	1,500
Prepaid expenses	952	-	100	-	1,052	-
Due from Hôtel-Dieu Grace Healthcare	568	3,120	973	2,335	1,541	5,455
	771,803	1,338,260	1,901,486	3,792,533	2,673,289	5,130,793
Long-term investments (note 3)	591,523	-	2,172,369	-	2,763,892	-
	\$ 1,363,326	1,338,260	\$ 4,073,855	3,792,533	\$ 5,437,181	\$ 5,130,793
<b>Liabilities and Fund Balances</b>						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 13,168	\$ 16,334	\$ 34,046	45,971	\$ 47,214	\$ 62,305
Deferred revenue	-	-	13,750	-	13,750	-
Due to Hôtel-Dieu Grace Healthcare	50,183	39,976	23,625	13,348	73,808	53,324
	63,351	56,310	71,421	59,319	134,772	115,629
Fund balances:						
Unrestricted	1,299,975	1,281,950	-	-	1,299,975	1,281,950
Restricted	-	-	4,002,434	3,733,214	4,002,434	3,733,214
	1,299,975	1,281,950	4,002,434	3,733,214	5,302,409	5,015,164
	\$ 1,363,326	\$ 1,338,260	\$ 4,073,855	3,792,533	\$ 5,437,181	\$ 5,130,793

See accompanying notes to financial statements.

On behalf of the Board of Directors:

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Director

\_\_\_\_\_

Director

# CHANGING LIVES TOGETHER FOUNDATION

## Statement of Operations and Changes in Fund Balances

June 30, 2019, with comparative information for 2018

	Unrestricted Fund		Restricted Fund		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenue:</b>						
Donations	\$ 28,683	\$ 16,030	\$ 84,875	\$ 67,274	\$ 113,558	\$ 83,304
Gala, Golf, Probert Ride and Heart Breaker Challenge events revenue	-	38,581	577,629	490,976	577,629	529,557
Major gifts	350,101	102,227	96,153	429,607	446,254	531,834
Interest and other revenue	52,214	44,270	6,237	5,216	58,451	49,486
	430,998	201,108	764,894	993,073	1,195,892	1,194,181
<b>Expenditures:</b>						
Advertising and public relations	11,916	18,540	66,771	68,186	78,687	86,726
Professional fees	19,348	17,353	-	-	19,348	17,353
Software maintenance and contracts	20,452	10,339	-	-	20,452	10,339
Travel and course registration	10,392	12,227	-	-	10,392	12,227
Postage, printing and stationery	14,826	17,757	6,675	11,383	21,501	29,140
Other supplies and expenses	24,460	15,577	79,070	75,219	103,530	90,796
Bad debts	-	5,905	-	179	-	6,084
	101,394	97,698	152,516	154,967	253,910	252,665
Excess of revenue over expenditures	329,604	103,410	612,378	838,106	941,982	941,516
Fund balances, beginning of year	1,281,950	1,481,637	3,733,214	3,326,473	5,015,164	4,808,110
Disbursements to Hôtel-Dieu Grace Healthcare (note 2)	(355,595)	(303,097)	(362,030)	(431,365)	(717,625)	(734,462)
Unrealized gain on long-term investments	44,016	-	18,872	-	62,888	-
<b>Fund balances, end of year</b>	<b>\$ 1,299,975</b>	<b>\$ 1,281,950</b>	<b>\$ 4,002,434</b>	<b>\$ 3,733,214</b>	<b>\$ 5,302,409</b>	<b>\$ 5,015,164</b>

See accompanying notes to financial statements.

# CHANGING LIVES TOGETHER FOUNDATION

## Statement of Cash Flows

June 30, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	941,982 \$	941,516
Unrealized gain on investments	62,888	-
Net change in non-cash working capital	197,432	514,636
	<u>1,202,302</u>	<u>1,456,152</u>
Investing and financing activities:		
Disbursements to Hôtel-Dieu Grace Healthcare	(717,625)	(734,462)
Increase in short-term investments	(1,414,009)	-
Increase in long-term investments	(2,763,892)	-
	<u>(4,895,526)</u>	<u>(734,462)</u>
(Decrease) increase in cash during the year	(3,693,224)	721,690
Cash, beginning of year	4,925,458	4,203,768
Cash, end of year	<u>\$ 1,232,234</u>	<u>\$ 4,925,458</u>

See accompanying notes to financial statements.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements

Year ended June 30, 2019

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The Changing Lives Together Foundation (the “Foundation”), was incorporated December 11, 2015 and has been established to receive and maintain funds and to apply all or part of the principal and income to any charity registered under the Income Tax Act (Canada) which benefits directly or indirectly Hôtel-Dieu Grace Healthcare (“HDGH”), which is owned and operated by The Religious Hospitallers of Hotel Dieu of St. Joseph of the Diocese of London. The Foundation is a registered charity and is classified as a public foundation under Section 149.1(1) (g) of the Income Tax Act (Canada) and as such, is exempt from income tax.

## 1. Significant accounting policies:

The financial statements of the Foundation have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. The more significant of these accounting policies are summarized below:

### (a) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the uses of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors.

The General Fund accounts for the Foundation’s general fundraising, granting and administrative activities including Campaign Fund donations that are not designated for a specific purpose. The General Fund reports unrestricted resources available for immediate purposes.

The Restricted Fund reports, as revenues, resources that are to be used for specific purposes as specified by the donors. Included in the Restricted Fund, are donations with a specified purpose, Campaign Fund donations that have been designated for a specific purpose as well as donations of enduring property (Endowment Funds).

To the extent that fundraising and administrative expenses exceed the revenues generated within the General Fund, the excess is accounted for as expenses of the Restricted Fund. Fundraising and administrative expenses incurred for a campaign initiative are applied only to the Campaign Funds. There can be no allocation of expenses against the Endowment Funds without specific approval of the Board of Directors.



# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2019

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. Contributions are recognized as revenue when the amount to be received or receivable can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue of the General Fund. Restricted contributions are recognized as revenue of the Restricted Fund. Revenues from the Golf Event are recognized as revenue of the General Fund in the period in which the event is held, unless the donor specifies a specific restricted fund. Revenues from the Bob Probert Memorial Ride, Gala Event and Heart Breaker Challenge are recognized in the Restricted Fund. Major gift donation revenues are recognized as revenue of the General Fund in the period received unless the donor specifies a specific restricted fund. Interest income is recognized in the General Fund unless otherwise specified in the fund specific reference manual and it is based on their proportionate share of investments held in each fund.

### Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its financial investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2019

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## 1. Significant accounting policies (continued):

### (c) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (d) Use of estimates:

The preparation of the financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

## 2. Transactions with Hôtel-Dieu Grace Healthcare:

During 2019, the Foundation disbursed \$717,625 (2018 - \$734,462) to HDGH for the purpose of purchasing medical equipment, operational expenditures and renovations.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2019

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### 3. Investments:

(a) Short-term investments:

Short-term investments consist of the following:

	2019	2018
Fixed income	\$ 1,414,009	\$ -
	\$ 1,414,009	\$ -

(b) Long-term investments:

Long-term investments consist of the following:

	2019	2018
Fixed income	\$ 998,781	\$ -
Mutual funds	70,335	-
Common shares	1,482,349	-
Other	212,427	-
	\$ 2,763,892	\$ -

### 4. Allocation of expenses:

Fundraising and administrative expenses not specifically identified for a specific purpose are first charged to the General Fund up to the level of unspecified donations received in the year, and then to the Restricted Fund. In the June 30, 2019 year end, \$nil (2018 - \$nil) was allocated to restricted funds.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2019

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## 5. **Bob Probert Memorial Ride:**

During 2019, the Foundation recognized \$143,214 (2018 - \$145,300) of revenue from the Bob Probert Memorial Ride Event. This revenue was recognized as revenue in the Satellite Cardiac Wellness Fund.

### **Annual Gala: The Big Night Gala**

During 2019, the Foundation recognized \$108,316 (2018 - \$91,599) of revenue from the Big Night Gala event. This revenue was recognized as revenue in the Mental Health Programs and Services Fund.

### **Heart Breaker Challenge**

During 2019, the Foundation recognized \$169,192 (2018 - \$146,658) of revenue from the Heart Breaker Challenge event. This revenue was recognized as revenue in the Cardiac Wellness Fund.

## 6. **Financial Risks:**

### (a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfil its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budgets and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

### (b) Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed interest rate financial instruments.

### (c) Currency risk:

The Foundation is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of business, the Foundation purchases investments denominated in U.S. dollars.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2019

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## **7. Transition to Betterness Healing Garden with dedication to Dr. Lisa Ventrella-Lucente**

A donation of \$260,137 by Transition to Betterness (hereinafter referred to as “the Donor” is used to name the expanded healing garden on the property of Hôtel-Dieu Grace Healthcare (HDGH) at 1453 Prince Rd, Windsor, ON N9C 3Z4.

This donation was secured by the Changing Lives Together Foundation and is paid for the T2B Healing Garden. Of the \$260,137, the Donor has donated \$100,000 directly to the Changing Lives Together Foundation, which was entirely transferred to HDGH and the remaining \$160,000 was directly gifted to HDGH.

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Donations

Schedule 1

June 30, 2019, with comparative information for 2018

#	2019	2018
Essential Equipment Fund	\$ 216,224	\$ 207,184
Ouellette Community Crisis Fund	-	535
No One Dies Alone Fund	16,134	16,134
Cardiac Wellness and Pulmonary	391,941	256,062
Education Fund	2,431	2,431
Satellite Cardiac Wellness	426,881	294,309
Palliative Care	107,786	81,594
Pastoral Care	1,029	929
Rehabilitation Services	100,224	97,312
Psychiatry Fund	-	1,967
Mental Health Programs and Services	315,164	238,569
RCC Fund	228,087	165,493
RCC - Jumpstart Program	4,077	3,378
Complex Continuing Care	26,259	35,835
In Honour Of the Ones We Love	-	61,231
Golf - In Honour	72,400	-
Wine Tour - In Honour	35,235	-
T2B - Transition to Betterness	(206)	93,438
WE Care for Kids	1,106	1,106
Dual Diagnosis	28,562	28,562
Volunteer Fund	-	-
John Nicholls Memorial Fund	4,670	4,520
Bariatric Fund	560	555
Gary Proctor Memorial Fund	4,107	4,107
Help Link Central Access Services & RCC Crisis	75,624	75,624
RCC Staff Education - Kathy Cianci Memorial Fund	468	468
Rotary Club of Windsor - St.Clair Fund	4,337	59,088
RCC - Ozad Fund	578,888	582,855
Physiotherapy Fund	-	3,082
Withdrawal Management Fund	5,746	14,407
Mission Achievement Fund	12,691	12,684
Life Enrichment Fund - Emará	-	16,421
Acquired Brain Injury Fund	3,319	2,319
Occupational Therapy Fund	1,950	1,626
Chiropractic Fund	192	192
Adult Day Care	5,624	5,624
Recreation Therapy Fund	3,156	3,156
Psychology Internship Fund	1,638	1,638
Diabetes Fund	25	25
Outreach Program	10,936	10,936
Geriatric Assessment Fund	6,749	6,749
Problem Gambling Fund	332,699	337,279
Alzheimer Fund	760	760
RCC Family Learning Fund	-	8,259
Psychogeriatric Community Outreach	836	836
Housekeeping Fund	339	339
Michael C. Rohrer Memorial Fund	37,435	36,726
Triple P Parenting Program	-	4,000
Outdoor Recreation Centre	984	984
Food & Nutrition	260	130
Transitional Stability Fund	11,565	10,278
Project of Estate of Robert Grant	10,000	10,000
Staff Benevolent Fund	950	-
Patients Benevolent Fund	19,036	-
Bus Fund	66,067	66,067
RCC Intensive Treatment Services	1,000	-
Playground fund	-	17,195
RCC Breakfast Program	1,140	-
MOST ( Mobile Outreach & Support Team)	100	-
Pre Adolescent & Adolescent Program Fund	20,100	20,100
Aquarium Maintenance Fund	-	927
McHappy Day Fund	-	14,606
RCC Camp Fund	-	20,289
ALS John Wilkinson Fund	1,067	1,067
RCC Healing Hearts	22,235	22,235
Schizophrenia - WPEP Fund	172,990	177,780
RCC Psychiatry Fund	-	54
CLTF Scholarship Fund	170	170
Opal Belawetz Memorial Fund	5,922	1,922
Chatham Kent Act Fund	370	320
Glengarda Legacy Fund	293,515	295,403
RHSJ - Caregiver Education Fund	250,730	268,345
TNI Fund	9,319	10,307
Parking & Security - T2B	24,529	10,364
Cable TV for Patient Rooms - T2B	5,431	4,328
Unrealized gain(loss) on long-term investments	18,872	-
<b>Restricted donations</b>	<b>4,002,435</b>	<b>3,733,215</b>
General Fund	1,255,957	1,281,949
Unrealized gain on long-term investments	44,016	-
<b>Unrestricted donations</b>	<b>1,299,973</b>	<b>1,281,949</b>
<b>Total Donations</b>	<b>\$ 5,302,408</b>	<b>\$ 5,015,164</b>

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Annual Gala Event

Schedule 2

June 30, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Ticket sales, sponsorships and donations (note 4)	\$ 108,316	\$ 91,599
Expenditures:		
Meal costs	27,186	25,587
Entertainment	2,027	1,923
Printing and promotional production	5,613	4,370
Advertising and miscellaneous	138	266
	<u>34,964</u>	<u>32,146</u>
Excess of revenue over expenditures	\$ 73,352	\$ 59,453

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Golf Tournament

Schedule 3

June 30, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Registration fees, sponsorships and donations	\$ 71,136	\$ 38,581
Expenditures:		
Meal costs	12,409	6,215
Green fees, donor recognition and miscellaneous	12,740	11,395
	<u>25,149</u>	<u>17,610</u>
Excess of revenue over expenditures	\$ 45,987	\$ 20,971



# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Annual Probert Memorial Event

Schedule 4

June 30, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Registration fees, sponsorships and donations (note 4)	\$ 143,214	\$ 145,300
Expenditures:		
Advertisement	-	114
Entertainment	1,143	1,091
Printing and promotional production	2,041	3,790
Donor recognition	23,011	20,055
Miscellaneous	4,016	7,209
	30,211	32,259
Excess of revenue over expenditures	\$ 113,003	\$ 113,041

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Heart Breaker Challenge

Schedule 5

June 30, 2019, with comparative information for 2018

	2019	2018
Revenue:		
Registration fees, sponsorships and donations (note 4)	\$ 169,192	\$ 146,658
Expenditures:		
Entertainment	2,018	1,709
Meal costs	1,014	5,374
Printing and promotional production	3,641	3,368
Donor Recognition	25,482	35,570
Miscellaneous	11,810	10,774
	43,966	56,795
Excess of revenue over expenditures	\$ 125,226	\$ 89,863