

Financial Statements of

**CHANGING LIVES  
TOGETHER FOUNDATION**

Year ended June 30, 2018



KPMG LLP  
618 Greenwood Centre  
3200 Deziel Drive  
Windsor, ON N8W 5K8  
Telephone (519) 251-3500  
Fax (519) 251-3530  
www.kpmg.ca

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors

We have audited the accompanying financial statements of Changing Lives Together Foundation which comprise the statement of financial position as at June 30, 2018, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising 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 controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 an 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due fraud or error. In making those risk assessments, we consider internal control relevant to the entity'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 entity'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 audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Changing Lives Together Foundation as at June 30, 2018, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada  
September 4, 2018

# CHANGING LIVES TOGETHER FOUNDATION

## Statement of Financial Position

June 30, 2018, with comparative information for 2017

|   | General Fund        |                     | Restricted Fund     |                  | Total               |                     |
|---|---------------------|---------------------|---------------------|------------------|---------------------|---------------------|
|   | 2018                | 2017                | 2018                | 2017             | 2018                | 2017                |
| <b>Assets</b>                                 |                     |                     |                     |                  |                     |                     |
| Current assets:                               |                     |                     |                     |                  |                     |                     |
| Cash  | \$ 1,328,529        | \$ 876,960          | \$ 3,596,929        | \$ 3,326,808     | \$ 4,925,458        | \$ 4,203,768        |
| Accounts receivable                           | -                   | -                   | 157,172             | 22,072           | 157,172             | 22,072              |
| HST receivable                                | 5,111               | 14,871              | 36,097              | 9,248            | 41,208              | 24,119              |
| Interest receivable                           | 1,500               | -                   | -                   | -                | 1,500               | -                   |
| Prepaid expenses                              | -                   | 2,706               | -                   | 500              | -                   | 3,206               |
| Due from Hôtel-Dieu Grace Healthcare (note 2) | 3,120               | 609,209             | 2,335               | -                | 5,455               | 609,209             |
|   | <u>\$ 1,338,260</u> | <u>1,503,746</u>    | <u>\$ 3,792,533</u> | <u>3,358,628</u> | <u>\$ 5,130,793</u> | <u>\$ 4,862,374</u> |
| <b>Liabilities and Fund Balances</b>          |                     |                     |                     |                  |                     |                     |
| Current liabilities:                          |                     |                     |                     |                  |                     |                     |
| Accounts payable and accrued liabilities      | \$ 16,334           | \$ 2,613            | \$ 45,971           | 26,796           | \$ 62,305           | \$ 29,409           |
| Deferred revenue                              | -                   | 3,535               | -                   | 1,750            | -                   | 5,285               |
| Due to Hôtel-Dieu Grace Healthcare            | 39,976              | 15,961              | 13,348              | 3,609            | 53,324              | 19,570              |
|   | <u>56,310</u>       | <u>22,109</u>       | <u>59,319</u>       | <u>32,155</u>    | <u>115,629</u>      | <u>54,264</u>       |
| Fund balances:                                |                     |                     |                     |                  |                     |                     |
| Unrestricted                                  | 1,281,950           | 1,481,637           | -                   | -                | 1,281,950           | 1,481,637           |
| Restricted                                    | -                   | -                   | 3,733,214           | 3,326,473        | 3,733,214           | 3,326,473           |
|   | <u>1,281,950</u>    | <u>1,481,637</u>    | <u>3,733,214</u>    | <u>3,326,473</u> | <u>5,015,164</u>    | <u>4,808,110</u>    |
|   | <u>\$ 1,338,260</u> | <u>\$ 1,503,746</u> | <u>\$ 3,792,533</u> | <u>3,358,628</u> | <u>\$ 5,130,793</u> | <u>\$ 4,862,374</u> |

See accompanying notes to financial statements.

On behalf of the Board of Directors:

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Director

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Director

# CHANGING LIVES TOGETHER FOUNDATION

## Statement of Operations and Changes in Fund Balances

June 30, 2018, with comparative information for 2017

|  | Unrestricted Fund   |                     | Restricted Fund     |                     | Total               |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2018                | 2017                | 2018                | 2017                | 2018                | 2017                |
| <b>Revenue:</b>  |                     |                     |                     |                     |                     |                     |
| Donations  | \$ 16,030           | \$ 13,637           | \$ 67,274           | \$ 72,701           | \$ 83,304           | \$ 86,338           |
| Gala, Golf, Probert Ride and Heart Breaker<br>Challenge events revenue | 38,581              | 24,408              | 490,976             | 444,820             | 529,557             | 469,228             |
| Major gifts  | 102,227             | 610,509             | 429,607             | 140,791             | 531,834             | 751,300             |
| Interest   | 44,270              | 38,941              | 5,216               | 5,595               | 49,486              | 44,536              |
|  | <u>201,108</u>      | <u>687,495</u>      | <u>993,073</u>      | <u>663,907</u>      | <u>1,194,181</u>    | <u>1,351,402</u>    |
| <b>Expenditures:</b>   |                     |                     |                     |                     |                     |                     |
| Advertising and public relations                                       | 18,540              | 14,322              | 68,186              | 51,625              | 86,726              | 65,947              |
| Professional fees  | 17,353              | 75,232              | -                   | -                   | 17,353              | 75,232              |
| Software maintenance and contracts                                     | 10,339              | 25,344              | -                   | -                   | 10,339              | 25,344              |
| Travel and course registration   | 12,227              | 624                 | -                   | -                   | 12,227              | 624                 |
| Postage, printing and stationery                                       | 17,757              | 7,097               | 11,383              | 10,470              | 29,140              | 17,567              |
| Other supplies and expenses  | 15,577              | 11,690              | 75,219              | 58,154              | 90,796              | 69,844              |
| Bad debts  | 5,905               | -                   | 179                 | -                   | 6,084               | -                   |
|  | <u>97,698</u>       | <u>134,309</u>      | <u>154,967</u>      | <u>120,249</u>      | <u>252,665</u>      | <u>254,558</u>      |
| Excess of revenue over expenditures                                    | 103,410             | 553,186             | 838,106             | 543,658             | 941,516             | 1,096,844           |
| Fund balances, beginning of year                                       | 1,481,637           | (46,773)            | 3,326,473           | -                   | 4,808,110           | (46,773)            |
| Transfer from Windsor Regional Hospital<br>(note 6)                    | -                   | 631,695             | -                   | 2,889,925           | -                   | 3,521,620           |
| Transfer from Hotel-Dieu Grace Healthcare                              | -                   | 493,668             | -                   | 671,404             | -                   | 1,165,072           |
| Disbursements to Hôtel-Dieu Grace Healthcare<br>(note 2)               | (303,097)           | (150,139)           | (431,365)           | (778,514)           | (734,462)           | (928,653)           |
| <b>Fund balances, end of year</b>                                      | <b>\$ 1,281,950</b> | <b>\$ 1,481,637</b> | <b>\$ 3,733,214</b> | <b>\$ 3,326,473</b> | <b>\$ 5,015,164</b> | <b>\$ 4,808,110</b> |

See accompanying notes to financial statements.

# CHANGING LIVES TOGETHER FOUNDATION

## Statement of Cash Flows

June 30, 2018, with comparative information for 2017

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| Cash provided by (used in):                  |                     |                     |
| Operating activities:                        |                     |                     |
| Excess of revenue over expenditures          | \$ 941,516          | \$ 1,096,844        |
| Net change in non-cash working capital       | 514,636             | (651,115)           |
|  | <u>1,456,152</u>    | <u>445,729</u>      |
| Investing and financing activities:          |                     |                     |
| Disbursements to Hôtel-Dieu Grace Healthcare | (734,462)           | (928,653)           |
| Transfer from Windsor Regional Hospital      | -                   | 3,521,620           |
| Transfer from Hôtel-Dieu Grace Healthcare    | -                   | 1,165,072           |
|  | <u>(734,462)</u>    | <u>3,758,039</u>    |
| Increase in cash during the year             | 721,690             | 4,203,768           |
| Cash, beginning of year                      | 4,203,768           | -                   |
| Cash, end of year                            | <u>\$ 4,925,458</u> | <u>\$ 4,203,768</u> |

See accompanying notes to financial statements.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements

Year ended June 30, 2018

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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, 2018

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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, 2018

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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 2018, the Foundation disbursed \$734,462 (2017 - \$928,653) to HDGH for the purpose of purchasing medical equipment, operational expenditures and renovations.

## 3. 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, 2018 year end, \$nil (2017 - \$nil) was allocated to restricted funds.

# CHANGING LIVES TOGETHER FOUNDATION

Notes to Financial Statements (continued)

Year ended June 30, 2018

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

During 2018, the Foundation recognized \$145,300 (2017 - \$153,647) of revenue from the Bob Probert Memorial Ride Event. This revenue was recognized as revenue in the Satellite Cardiac Wellness Fund.

## 5. **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.

## 6. **One-time transfers:**

On May 1, 2014, the former Hôtel-Dieu Grace Hospital Foundation amalgamated with the Windsor Regional Hospital Foundation to become the Windsor/Essex Hospitals Foundation. In 2015, the Windsor/Essex Hospitals Foundation split to form Windsor Regional Hospital Foundation and Changing Lives Together Foundation. As a result, Windsor Regional Hospital transferred \$3,521,620 to the Changing Lives Together Foundation for which funds were originally designated.

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Donations

Schedule 1

June 30, 2018, with comparative information for 2017

|  | June 30,<br>2018    | June 30,<br>2017    |
|--|---------------------|---------------------|
| Essential Equipment Fund                         | \$ 207,184          | \$ 206,144          |
| Ouellette Community Crisis Func                  | 535                 | 535                 |
| No One Dies Alone Func                           | 16,134              | 16,134              |
| Cardiac Wellness and Pulmonary                   | 256,062             | 176,774             |
| Education Fund                                   | 2,431               | 2,431               |
| Satellite Cardiac Wellness                       | 294,309             | 181,309             |
| Palliative Care                                  | 81,594              | 76,648              |
| Pastoral Care                                    | 929                 | 1,174               |
| Rehabilitation Services                          | 97,312              | 95,032              |
| Psychiatry Fund                                  | 1,967               | 1,967               |
| Mental Health Programs and Services              | 238,569             | 177,049             |
| RCC Fund   | 165,493             | 168,815             |
| RCC - Jumpstart Program                          | 3,378               | 2,971               |
| Complex Continuing Care                          | 35,835              | 43,612              |
| In Honour Of the Ones We Love                    | 61,231              | -                   |
| T2B - Transition to Betterness                   | 93,438              | 50,000              |
| WE Care for Kids                                 | 1,106               | 1,106               |
| Dual Diagnosis                                   | 28,562              | 30,154              |
| Volunteer Fund                                   | -                   | 7,242               |
| John Nicholls Memorial Func                      | 4,520               | 4,520               |
| Bariatric Fund                                   | 555                 | 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 Func | 468                 | 468                 |
| Rotary Club of Windsor - St.Clair Func           | 59,088              | 29,834              |
| RCC - Ozad Fund                                  | 582,855             | 580,847             |
| Physiotherapy Func                               | 3,082               | 3,032               |
| Withdrawal Management Func                       | 14,407              | 13,907              |
| Mission Achievement Func                         | 12,684              | 12,551              |
| Life Enrichment Fund - Emara                     | 16,421              | 16,421              |
| Acquired Brain Injury Func                       | 2,319               | 1,219               |
| Occupational Therapy Func                        | 1,626               | 1,162               |
| Chiropody Func                                   | 192                 | 192                 |
| Adult Day Care                                   | 5,624               | 5,624               |
| Recreation Therapy Func                          | 3,156               | 3,156               |
| Psychology Internship Func                       | 1,638               | 1,638               |
| Diabetes Fund                                    | 25                  | 25                  |
| Outreach Program                                 | 10,936              | 10,936              |
| Geriatric Assessment Fund                        | 6,749               | 3,524               |
| Problem Gambling Fund                            | 337,279             | 336,159             |
| Alzheimer Fund                                   | 760                 | 760                 |
| RCC Family Learning Fund                         | 8,259               | 8,259               |
| Psychogeriatric Community Outreach               | 836                 | 836                 |
| Housekeeping Fund                                | 339                 | 339                 |
| Michael C. Rohrer Memorial Func                  | 36,726              | 22,159              |
| Triple P Parenting Program                       | 4,000               | -                   |
| Outdoor Recreation Centre                        | 984                 | -                   |
| Food & Nutrition                                 | 130                 | -                   |
| Transitional Stability Func                      | 10,278              | -                   |
| Project of Estate of Robert Grant                | 10,000              | -                   |
| Bus Fund   | 66,067              | 66,067              |
| Playground func                                  | 17,195              | 17,195              |
| Pre Adolescent & Adolescent Program Fund         | 20,100              | 20,100              |
| Aquarium Maintenance Func                        | 927                 | 927                 |
| McHappy Day Fund                                 | 14,606              | 14,606              |
| RCC Camp Fund                                    | 20,289              | 20,289              |
| ALS John Wilkinson Fund                          | 1,067               | 1,067               |
| RCC Healing Hearts                               | 22,235              | 25,116              |
| Schizophrenia - WPEP Func                        | 177,780             | 187,274             |
| RCC Psychiatry Fund                              | 54                  | 54                  |
| CLTF Scholarship Fund                            | 170                 | 170                 |
| Opal Belawetz Memorial Func                      | 1,922               | 1,000               |
| Chatham Kent Act Fund                            | 320                 | 320                 |
| Glengarda Legacy Fund                            | 295,403             | 298,905             |
| RHSJ - Caregiver Education Func                  | 268,345             | 270,950             |
| TNI Fund   | 10,307              | 11,340              |
| Parking & Security - T2B                         | 10,364              | 12,000              |
| Cable TV for Patient Rooms - T2B                 | 4,328               | 2,141               |
| Restricted donations                             | 3,733,215           | 3,326,472           |
| Interest Income & Operating Expenses             | (133,108)           | 32,539              |
| General Fund                                     | 1,415,057           | 1,449,099           |
| Unrestricted donations                           | 1,281,949           | 1,481,638           |
| <b>Total Donations</b>                           | <b>\$ 5,015,164</b> | <b>\$ 4,808,110</b> |

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Annual Gala Event

Schedule 2

June 30, 2018, with comparative information for 2017

|   | 2018             | 2017              |
|---|------------------|-------------------|
| Revenue:                                  |                  |                   |
| Ticket sales, sponsorships and donations  | \$ 91,599        | \$ 78,328         |
| Expenditures:                             |                  |                   |
| Meal costs                                | 25,587           | 21,176            |
| Entertainment                             | 1,923            | 2,027             |
| Printing and promotional production       | 4,370            | 2,345             |
| Advertising and miscellaneous             | 266              | 813               |
|   | <u>32,146</u>    | <u>26,361</u>     |
| Transfer from Hotel-Dieu Grace Healthcare | -                | 83,950            |
| Excess of revenue over expenditures       | <u>\$ 59,453</u> | <u>\$ 135,917</u> |

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Golf Tournament

Schedule 3

June 30, 2018, with comparative information for 2017

|   | 2018      | 2017      |
|---|-----------|-----------|
| Revenue:  |           |           |
| Registration fees, sponsorships and donations   | \$ 38,581 | \$ 24,408 |
| Expenditures:                                   |           |           |
| Meal costs                                      | 6,215     | 2,721     |
| Green fees, donor recognition and miscellaneous | 11,395    | 10,720    |
|   | 17,610    | 13,442    |
| Excess of revenue over expenditures             | \$ 20,971 | \$ 10,966 |

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Annual Probert Memorial Event

Schedule 4

June 30, 2018, with comparative information for 2017

|   | 2018              | 2017              |
|---|-------------------|-------------------|
| Revenue:  |                   |                   |
| Registration fees, sponsorships and donations         | \$ 145,300        | \$ 153,647        |
| Expenditures:   |                   |                   |
| Advertisement   | 114               | -                 |
| Entertainment   | 1,091             | 987               |
| Printing and promotional production                   | 3,790             | 5,849             |
| Donor Recognition                                     | 20,055            | 19,465            |
| Miscellaneous   | 7,209             | 7,461             |
|   | <u>32,259</u>     | <u>33,763</u>     |
| Transfer from Hotel-Dieu Grace Healthcare<br>(note 4) | -                 | 61,425            |
| Excess of revenue over expenditures                   | <u>\$ 113,041</u> | <u>\$ 181,309</u> |

# CHANGING LIVES TOGETHER FOUNDATION

Schedule of Operations - Heart Breaker Challenge

Schedule 5

June 30, 2018, with comparative information for 2017

|   | 2018       | 2017       |
|---|------------|------------|
| Revenue:                                      |            |            |
| Registration fees, sponsorships and donations | \$ 146,658 | \$ 161,515 |
| Expenditures:                                 |            |            |
| Entertainment                                 | 1,709      | 600        |
| Meal costs                                    | 5,374      | 5,660      |
| Printing and promotional production           | 3,368      | 1,402      |
| Donor Recognition                             | 35,570     | 32,025     |
| Miscellaneous                                 | 10,774     | 12,118     |
|   | 56,795     | 51,805     |
| Transfer from Hotel-Dieu Grace Healthcare     | -          | 43,918     |
| Excess of revenue over expenditures           | \$ 89,863  | \$ 153,628 |