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**GREEN THUMBS GROWING KIDS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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**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, 2016, 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, 2016, 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.

*Pennylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

June 28, 2017  
Toronto, Ontario

# GREEN THUMBS GROWING KIDS


## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
<b>ASSETS</b>		
Current assets		
Cash	\$ 59,765	\$ 93,712
Amounts receivable	11,112	4,973
HST recoverable	1,386	3,171
Prepaid expenses	<u>2,510</u>	<u>2,965</u>
	<u>\$ 74,773</u>	<u>\$ 104,821</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,394	\$ 3,977
Deferred contributions (note 3)	<u>23,813</u>	<u>26,281</u>
	<u>30,207</u>	<u>30,258</u>
Net assets		
Unrestricted	<u>44,566</u>	<u>74,563</u>
	<u>\$ 74,773</u>	<u>\$ 104,821</u>

Approved on behalf of the Board:

 PRATEEKSHA Suresh Director

 \_\_\_\_\_, Director

see accompanying notes

# GREEN THUMBS GROWING KIDS

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>REVENUE</b>		
Contributions (notes 3 and 4)	\$ 184,974	\$ 207,540
Service fees	26,977	7,553
Fundraising	2,066	4,984
Membership fees	304	385
Interest	187	398
	<u>214,508</u>	<u>220,860</u>
<b>EXPENSES</b>		
Personnel	194,502	149,328
Program	20,568	16,602
Occupancy costs	12,648	11,930
Office and general	8,213	10,835
Professional fees	3,932	4,263
Insurance	1,996	1,567
Board and staff development	1,268	5,465
Travel	1,045	629
Fundraising	333	1,442
Website	-	3,532
	<u>244,505</u>	<u>205,593</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	(29,997)	15,267
Net assets, beginning of year	<u>74,563</u>	<u>59,296</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 44,566</u>	<u>\$ 74,563</u>

see accompanying notes

# GREEN THUMBS GROWING KIDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ (29,997)	\$ 15,267
Net change in non-cash working capital items (see below)	<u>(3,950)</u>	<u>(12,247)</u>
Cash generated from (used for) operating activities	(33,947)	3,020
<b>FINANCING ACTIVITIES</b>		
Redemption of guaranteed investment certificates	<u>-</u>	<u>10,220</u>
<b>NET CASH INCREASE (DECREASE) IN THE YEAR</b>	(33,947)	13,240
Cash, beginning of year	<u>93,712</u>	<u>80,472</u>
<b>CASH, END OF YEAR</b>	<u>\$ 59,765</u>	<u>\$ 93,712</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (6,139)	\$ 2,789
HST recoverable	1,785	(677)
Prepaid expenses	456	795
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	2,416	(2,587)
Deferred contributions	<u>(2,468)</u>	<u>(12,567)</u>
	<u>\$ (3,950)</u>	<u>\$ (12,247)</u>

see accompanying notes

# GREEN THUMBS GROWING KIDS

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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Green Thumbs Growing Kids (the organization) 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 fees are recognized as revenue proportionately over the fiscal year to which they relate. Membership fees received related to future periods are deferred.

##### *Interest income*

Interest income is recognized as revenue when earned.

### 2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

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.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks and that existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities. The organization minimizes the likelihood of uncollected revenue by regularly monitoring amounts receivable.

# GREEN THUMBS GROWING KIDS

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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### 3. DEFERRED CONTRIBUTIONS

Amounts received from the following sources have been deferred at year end:

	2016	2015
Murray R. O'Neil Charitable Foundation	\$ 10,000	\$ 1,911
Toronto Foundation	8,232	2,532
ECHO Foundation	3,028	-
Peter Gilgan Foundation	2,553	-
Canada Post Community Foundation	-	10,000
Mondelez Canada Inc.	-	5,000
Toronto Christian Resource Centre	-	3,985
LUSH Charity Pot	-	2,853
	<u>23,813</u>	<u>26,281</u>
Deferred contributions, end of year	<u>\$ 23,813</u>	<u>\$ 26,281</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 26,281	\$ 38,849
Add cash received from contributions	182,506	194,972
Less contributions recognized	<u>(184,974)</u>	<u>(207,540)</u>
Deferred contributions, end of year	<u>\$ 23,813</u>	<u>\$ 26,281</u>

# GREEN THUMBS GROWING KIDS

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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### 4. CONTRIBUTIONS

Contributions were recognized from the following sources in the year:

	2016	2015
Grants		
Ontario Trillium Foundation	\$ 28,300	\$ -
Service Canada: Canada Summer Jobs City of Toronto	23,965	8,653
Investing In Neighbourhoods	21,684	19,555
LUSH Charity Pot	18,473	6,497
Canada Post Community Foundation	10,000	-
Toronto Foundation		
Vital Youth Program	6,768	-
Vital Ideas Program	2,532	27,467
Mondelez Canada Inc.- Kraft Cares	8,500	-
ECHO Foundation	6,972	-
McLean Foundation	4,000	4,000
USC Canada	4,000	-
Toronto Christian Resource Centre	3,985	3,175
Murray R. O'Neil Charitable Foundation	1,911	10,089
Telus Toronto Community Board	-	18,568
The Outdoor Foundation: The Keen Effect	-	11,994
Other	-	13,621
Total grants	141,090	123,619
Donations	43,884	83,921
	<u>\$ 184,974</u>	<u>\$ 207,540</u>