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**GREEN THUMBS GROWING KIDS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
Green Thumbs Growing Kids

### Report on the Financial Statements

I have audited the accompanying financial statements of Green Thumbs Growing Kids, which comprise the statement of financial position as at December 31, 2012, 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*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 I was 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 my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of donation and fundraising revenue, the financial statements present fairly, in all material respects, the financial position of Green Thumbs Growing Kids as at December 31, 2012, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountant  
Licensed Public Accountant  
June 6, 2013  
Toronto, Ontario

**GREEN THUMBS GROWING KIDS**


**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 88,818	\$ 75,727
Amounts receivable	9,236	5,625
Prepaid expenses	<u>1,969</u>	<u>2,087</u>
	<u>\$ 100,023</u>	<u>\$ 83,439</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 5,239	\$ 4,897
Deferred revenue (note 4)	<u>48,824</u>	<u>53,442</u>
	<u>54,063</u>	<u>58,339</u>
Net assets		
Unrestricted	<u>45,960</u>	<u>25,100</u>
	<u>\$ 100,023</u>	<u>\$ 83,439</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, 2012

	2012	2011
<b>REVENUE</b>		
Grants (note 5)	\$ 123,489	\$ 70,269
Donations	47,090	37,340
Service fees and member dues	5,300	9,579
Interest	<u>51</u>	<u>27</u>
	<u>175,930</u>	<u>117,215</u>
<b>EXPENSES</b>		
Personnel	121,066	75,300
Program	9,989	19,671
Office and general	9,661	6,276
Professional fees	8,869	8,946
Website	2,769	
Insurance	1,951	1,732
Travel	379	1,821
Board and staff development	386	3,141
Occupancy costs	<u>          </u>	<u>7,090</u>
	<u>155,070</u>	<u>123,977</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	20,860	(6,762)
Net assets, beginning of year	<u>25,100</u>	<u>31,862</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 45,960</u>	<u>\$ 25,100</u>

see accompanying notes

# GREEN THUMBS GROWING KIDS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 20,860	\$ (6,762)
Add back (deduct) non-cash items-		
Net change in working capital items (see below)	<u>(7,769)</u>	<u>11,552</u>
<b>NET CASH INCREASE IN THE YEAR</b>	13,091	4,790
Cash, beginning of year	<u>75,727</u>	<u>70,937</u>
<b>CASH, END OF YEAR</b>	<u>\$ 88,818</u>	<u>\$ 75,727</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Amounts receivable	\$ (3,611)	\$ 2,669
Prepaid expenses	118	(599)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	342	(149)
Deferred revenue	<u>(4,618)</u>	<u>9,631</u>
	<u>\$ (7,769)</u>	<u>\$ 11,552</u>

see accompanying notes

# GREEN THUMBS GROWING KIDS

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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### 1. THE ORGANIZATION

Green Thumbs Growing Kids (the "organization") is incorporated as a not-for-profit corporation 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.

### 2. 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 applied on a basis consistent with the prior year. Outlined below are those policies considered particularly significant:

#### Revenue recognition

The organization follows the deferral method of revenue recognition. Under the deferral method, amounts received in the year for expenses to be incurred in the following year are recorded as deferred revenue. The organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Unrestricted grants are recognized as revenue when they are received or receivable if the amount received can be reasonably estimated and collection is reasonably assured. Restricted grants are recognized as revenue in the year in which the related expenses are incurred.
- ii) Service fees are recognized in the year in which the services are provided.
- iii) Donation revenue is recorded when funds are received. Donated materials and services which are normally purchased by the organization are not recorded in the accounts.
- iv) Interest income is recognized as revenue when earned.

### 3. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, amounts receivable and accounts payable and accrued liabilities. The following are those financial instruments and related financial risks considered particularly significant:

- i) The organization minimizes the likelihood of uncollected revenue by regularly monitoring amounts receivable.
- ii) Existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks.

# GREEN THUMBS GROWING KIDS

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2012

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### 4. DEFERRED GRANT REVENUE

Deferred grant revenue is composed of the following:

	2012	2011
Ontario Trillium Foundation	\$ 23,674	\$ 21,064
Telus	10,000	
Heart and Stroke Foundation of Ontario	5,389	15,000
City of Toronto		
Community Recreation Investment Program	7,500	
Urban Roots Youth Program		14,809
Community Service Partnerships		1,197
Whole Kids Foundation	2,261	
FoodShare Toronto		<u>1,372</u>
Deferred grant revenue, end of year	<u>\$ 48,824</u>	<u>\$ 53,442</u>

Continuity of deferred grant revenue for the year is as follows:

Deferred grant revenue, beginning of year	\$ 53,442	\$ 43,811
Add cash received from grants in year	118,871	79,900
Less grant revenue recognized in year	<u>(123,489)</u>	<u>(70,269)</u>
Deferred grant revenue, end of year	<u>\$ 48,824</u>	<u>\$ 53,442</u>

### 5. GRANTS

Grant revenue was recognized from the following sources in the year:

	2012	2011
Ontario Trillium Foundation	\$ 60,190	\$ 12,336
Heart and Stroke Foundation of Canada	19,611	
Whole Kids Foundation	1,739	
City of Toronto		
Community Recreation Investment Program	14,809	
Investing In Neighbourhoods	13,782	
Community Service Partnerships	1,197	17,253
Live Green		12,419
Human Resources and Skills Development Canada	6,349	6,579
Small Change Fund	4,440	
FoodShare Toronto	1,372	9,000
Ontario Agri-Food Education Inc.		3,620
Other		<u>9,062</u>
	<u>\$ 123,489</u>	<u>\$ 70,269</u>

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