

A Magical Connection

THE FUNDING NETWORK
FINAL REPORT

SUBMITTED BY: Community Association for Riding for the Disabled
June 27, 2008

The Community Association for Riding for the Disabled (CARD) is a non-profit organization whose mission is ***to improve the lives of children and adults with disabilities through quality therapeutic riding programs.***

For almost 40 years, CARD's therapeutic riding programs have had a direct and positive impact on the lives of more than 15,000 children and adults with disabilities. Founded in 1969, CARD was the first therapeutic riding centre in Canada.

Today, CARD works with specially trained physiotherapists, equine experts, 19 horses and more than 300 volunteers to help more than 500 children and adults with disabilities yearly gain greater physical, cognitive, psychological and social skills. CARD is funded through public grants, private donation and fundraising events.

On May 16, 2007, Greenwood College students Tom Ranson and Kim Selkie presented a proposal to the members of The Funding Network in support of CARD to secure funding for a new computer system.

During The Funding Network's review process, CARD was required to re-structure its business priorities to address more immediate operational needs. CARD's special therapy horses are integral to its riding programs, and the welfare of riders, volunteers and horses is of paramount concern. As a result of this re-prioritizing of business needs, the monies provided by The Funding Network were re-directed to rebuilding CARD's three paddocks.

CARD is a fully accredited therapeutic riding program and facility, and strives to maintain the highest level of quality in the operation and execution of its programs, and all supporting areas. Through the generous support of The Funding Network, CARD was able provide for its herd of special therapy horses, and to continue to deliver the therapeutic riding programs that have such a direct and positive impact on so many children and adults with disabilities from the Greater Toronto Area.

Community Association for Riding for the Disabled

Financial Statements

August 31, 2007

Auditors' Report

To the Members of
Community Association for Riding for the Disabled

We have audited the statement of financial position of the Community Association for Riding for the Disabled ("CARD") as at August 31, 2007 and the statements of operations, net assets and cash flows for the year then ended. These financial statements are the responsibility of CARD's management and its Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, CARD derives revenue from public donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of CARD and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenses for the year, and net assets, end of year.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements, present fairly, in all material respects, the financial position of CARD as at August 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Koster, Spinks & Koster LLP

Licensed Public Accountants

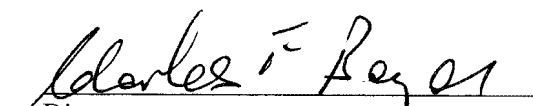
Toronto, Ontario
October 5, 2007


Community Association for Riding for the Disabled

Statement of Financial Position August 31, 2007

	<u>2007</u>	<u>2006</u>
Assets		
Current		
Cash and term deposits (note 3)	\$ 112,504	\$ 74,343
Accounts receivable	9,768	23,935
Prepaid expenses	4,974	5,851
	<u>127,246</u>	<u>104,129</u>
Capital assets (note 4)	15,991	24,080
	<u>\$ 143,237</u>	<u>\$ 128,209</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 28,828	\$ 20,909
Deferred revenue	31,736	5,245
	<u>60,564</u>	<u>26,154</u>
Net assets		
Unrestricted	59,682	26,200
Capital maintenance fund (note 5)	-	35,995
Invested in capital assets	15,991	24,080
Scholarship fund (note 6)	7,000	15,780
	<u>82,673</u>	<u>102,055</u>
	<u>\$ 143,237</u>	<u>\$ 128,209</u>

Approved on behalf of the Board:


Director


Director

Community Association for Riding for the Disabled

Statement of Net Assets
For The Year Ended August 31, 2007

	2007			2006		
	Unrestricted	Capital Maintenance fund	Invested in capital assets	Scholarship fund	Total	Total
Net assets, beginning of year	\$ 26,200	\$ 35,995	\$ 24,080	\$ 15,780	\$ 102,055	\$ 75,887
Excess of (expenses over revenues) revenues over expenses for the year	(5,818)	(12,154)	-	(1,410)	(19,382)	26,168
Transfer from the Capital Maintenance Fund	23,841	(23,841)	-	-	-	-
Amortization of capital assets	8,089	-	(8,089)	-	-	-
Transfer from the Scholarship Fund	7,370	-	-	(7,370)	-	-
Net assets, end of year	\$ 59,682	\$ -	\$ 15,991	\$ 7,000	\$ 82,673	\$ 102,055



Community Association for Riding for the Disabled

Statement of Operations
For The Year Ended August 31, 2007

	<u>2007</u>	<u>2006</u>
Revenues		
Donations	\$ 290,400	\$ 299,674
Fundraising activities	234,786	185,735
Rider's fees	200,192	192,315
Government grants	66,361	74,676
Facility rental and merchandise sales	16,433	10,943
Bingo and Nevada ticket sales	9,042	25,985
Scholarship donations	6,260	22,970
Memberships	1,930	1,615
	<u>825,404</u>	<u>813,913</u>
Expenses		
Equestrian	280,632	297,495
Fundraising	217,556	177,119
Program	193,488	177,377
Administrative	117,383	104,578
Facility repairs and maintenance	12,154	-
Amortization	8,089	10,212
Scholarship rider fees	7,670	7,190
Professional fees	6,650	6,500
Public awareness	1,164	7,274
	<u>844,786</u>	<u>787,745</u>
Excess of (expenses over revenues) revenues over expenses for the year	<u>\$ (19,382)</u>	<u>\$ 26,168</u>

Community Association for Riding for the Disabled

Statement of Cash Flows For The Year Ended August 31, 2007

	<u>2007</u>	<u>2006</u>
Cash provided by (used for):		
Operating activities		
Excess of (expenses over revenues) for the year	\$ (19,382)	\$ 26,168
Item not affecting cash:		
Amortization	8,089	10,212
Change in non-cash working capital items		
Accounts receivable	14,167	(5,013)
Prepaid expenses	877	(952)
Accounts payable and accrued liabilities	7,919	8,381
Deferred revenue	26,491	(8,685)
	<u>38,161</u>	<u>30,111</u>
Investing activity		
Donation of equipment	-	(1,934)
Change in cash and term deposits during the year	38,161	28,177
Cash and term deposits, beginning of year	74,343	46,166
Cash and term deposit, end of year	<u>\$ 112,504</u>	<u>\$ 74,343</u>
Consisting of:		
Cash	\$ 65,555	\$ 28,565
Term deposits	46,949	45,778
	<u>\$ 112,504</u>	<u>\$ 74,343</u>

Community Association for Riding for the Disabled

Notes to Financial Statements

August 31, 2007

1. Purpose of organization

Community Association for Riding for the Disabled ("CARD") operates as a non-profit, charitable organization incorporated in 1969 under the Canada Corporations Act whose objective is to promote therapy of physically and developmentally challenged individuals through horseback riding. CARD has been located in G. Ross Lord Park in North York since 1979. The fully accessible facility consists of a large indoor arena, 19 stalls and three paddocks, offices and a viewing lobby. The facility was specifically designed and built with therapeutic riding in mind. CARD is a registered charity under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Significant accounting policies

These statements have been prepared in accordance with Canadian generally accepted accounting principles applied within the framework of the significant accounting policies summarized below:

a) Term deposits

Term deposits are recorded at cost plus accrued interest which approximates fair market value.

b) Capital assets

Capital assets are recorded at cost. Amortization is provided at the following rates:

Computer equipment	30% declining balance basis
Horse stalls	Straight line basis over 5 years
Automobile	30% declining balance basis

c) Donated materials and services

The value of donated materials and services, due to the difficulty of determining their fair value, is not recognized in these financial statements.

d) Revenue recognition

CARD follows the deferral method of accounting for contributions. Contributions externally restricted are recorded as deferred contributions and are recognized as revenue in the year in which the related expense is recognized. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection reasonably assured.

e) Donations-in-kind

Donations-in-kind are reported as revenue at their fair market value at the time of the donation.

Community Association for Riding for the Disabled

Notes to Financial Statements
August 31, 2007

f) Administrative salaries

Administrative salaries and related benefits have been allocated by management between the various departments on the basis of time spent.

g) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and note disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results will differ from such estimates.

h) Income taxes

The Organization is incorporated without a share capital as a non-profit organization and accordingly under paragraph 149(1)(l) of the Income Tax Act is exempt from income taxes.

3. Cash and term deposits

The balance includes term deposits of \$46,949 (2006 - \$45,778) bearing interest ranging from 2.5% to 2.65% per annum and maturity dates ranging from October to December 2007.

4. Capital assets

Capital assets consist of the following:

	2007		2006	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Horse stalls	\$ 10,854	\$ 8,684	\$ 2,170	\$ 4,341
Computer equipment	8,041	5,198	2,843	4,061
Automobile	26,350	15,372	10,978	15,678
	<u>\$ 45,245</u>	<u>\$ 29,254</u>	<u>\$ 15,991</u>	<u>\$ 24,080</u>

Capital assets are amortized under the straight line method in the amount of \$8,089 (2006 - \$10,212).

Community Association for Riding for the Disabled

Notes to Financial Statements

August 31, 2007

5. Capital maintenance fund

The Capital maintenance fund was comprised of funds donated for the purpose of maintenance/building projects related to the present existing facility or any future expanded facility. During the year, expenditures were made of \$12,154 to renovate and repair the facility, including the paddock and stall improvements and roof repairs. The Board of Directors transferred the remaining \$23,841 to the general unrestricted fund.

6. Scholarship fund

The Scholarship fund is an account whereby funds are specifically raised to assist riders with disabilities that apply and qualify for assistance through the CARD Scholarship Program. Subject to resolution by the Board, the Scholarship funds in excess of the scholarship requirements at the end of each fiscal year may either be carried forward to the following year or transferred to the Unrestricted Fund.

7. Lease commitments

CARD is located on land owned by the City of Toronto and has a 20 year License Agreement with the City for the use of the land that commenced September 1, 2000 and ends August 31, 2020. The license fee is \$2 per year plus all taxes and utilities.

CARD is obligated to make the following minimum annual payments under operating leases for office equipment:

2008	\$ 9,964
2009	9,964
2010	8,993
2011	4,284
2012	<u>4,284</u>
	<u>\$ 37,489</u>

8. Donations-in-kind

Included in donations revenue are donations-in-kind with a fair market value of \$77,329 (2006 - \$82,658) which were contributed to CARD during the year.

9. Fair values of financial instruments

The carrying values of cash and term deposits, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of these instruments.

Financial assets held by CARD expose it to credit risk. At August 31, 2007, there are no significant concentrations of credit risk with respect to any class of financial assets.