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— ACCOUNTANTS —

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INDEPENDENT AUDITORS' REPORT

To the directors of

DR. JAY CHILDREN'S GRIEF CENTRE

We have audited the accompanying financial statements of Dr. Jay Children's Grief Centre, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in fund balances and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility
The Board of Directors 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 the Board of Directors determines is necessary to enable the preparation of 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 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 auditors' 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.

We believe that the audit evidence we have obtained in our audit 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, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues 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 revenue, excess of revenue over expenditures, 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 Dr. Jay Children's Grief Centre as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matters
The financial statements of Dr. Jay Children's Grief Centre for the year ended March 31, 2016 were audited by another auditor who expressed a qualified opinion on those statements on August 24, 2016. The basis for the qualified opinion was due to the inability to obtain satisfactory audit evidence over the completeness of donation revenue, which is consistent with the Basis for qualified opinion paragraph above.

Stern Cohen LLP

Chartered Professional Accountants
Chartered Accountants
Licensed Public Accountants
Toronto, Canada
May 30, 2017

DR. JAY CHILDREN'S GRIEF CENTRE

YEAR ENDED MARCH 31, 2017

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STATEMENT OF OPERATIONS

For the year ended March 31,	**Counselling**	**Camp Erin**	**2017**	Counselling	Camp Erin	2016
	$	**$**	**$**	$	$	$
Revenues						
Foundations and grants	**535,375**	**134,308**	**669,683**	868,000	78,609	946,609
Donations	**93,758**	**12,604**	**106,362**	12,709	4,713	17,422
Toronto Central LHIN (Note 3)	**3,722**	**-**	**3,722**	36,597	-	36,597
Other revenue	**8,499**	**-**	**8,499**	6,309	14	6,323
	641,354	**146,912**	**788,266**	923,615	83,336	1,006,951
Expenses						
Program costs	**28,281**	**44,414**	**72,695**	37,811	5,295	43,106
Salaries and benefits	**528,956**	**22,946**	**551,902**	394,978	26,940	421,918
Professional fees	**13,811**	**599**	**14,410**	9,935	806	10,741
Information technology	**15,986**	**694**	**16,680**	18,964	2,015	20,979
General and administrative	**73,945**	**3,208**	**77,153**	52,405	5,469	57,874
Advertising	**2,190**	**95**	**2,285**	1,597	275	1,872
Non-recoverable GST/HST	**4,779**	**207**	**4,986**	6,930	610	7,540
Amortization	**18,295**	**-**	**18,295**	12,021	-	12,021
	686,243	**72,163**	**758,406**	534,641	41,410	576,051
Excess (deficiency) of revenues over expenses	**(44,889)**	**74,749**	**29,860**	388,974	41,926	430,900

See accompanying notes.

DR. JAY CHILDREN'S GRIEF CENTRE

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31,	**Counselling**	**Camp Erin**	**2017**	Counselling	Camp Erin	2016
	$	**$**	**$**	$	$	$
Fund balances, beginning of year	**389,174**	**41,926**	**431,100**	200	-	200
Excess (deficiency) of revenues over expenses for the year	**(44,889)**	**74,749**	**29,860**	388,974	41,926	430,900
Fund balances, end of year	**344,285**	**116,675**	**460,960**	389,174	41,926	431,100

See accompanying notes.

DR. JAY CHILDREN'S GRIEF CENTRE

STATEMENT OF CASH FLOW

For the year ended March 31,	Counselling	Camp Erin	2017	Counselling	Camp Erin	2016
	$	$	$	$	$	$
Operating activities						
Excess (deficiency) of revenue over expenses for the year	(44,889)	74,749	29,860	388,974	41,926	430,900
Items not involving cash						
Amortization of capital assets	18,295	-	18,295	12,021	-	12,021
Working capital from (required by) operations	(26,594)	74,749	48,155	400,995	41,926	442,921
Net change in non-cash working capital balances related to operations	3,393	1,717	5,110	14,058	(3,396)	10,662
Cash from (required by) operations	(23,201)	76,466	53,265	415,053	38,530	453,583
Investing activities						
Acquisition of capital assets	(9,151)	-	(9,151)	(35,273)	-	(35,273)
Change in cash during the year	(32,352)	76,466	44,114	379,780	38,530	418,310
Cash						
Beginning of year	380,361	38,530	418,891	581	-	581
End of year	348,009	114,996	463,005	380,361	38,530	418,891

See accompanying notes.

DR. JAY CHILDREN'S GRIEF CENTRE

(Incorporated under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

As of March 31,	**Counselling**	**Camp Erin**	**2017**	Counselling	Camp Erin	2016
	$	**$**	**$**	$	$	$
ASSETS						
Current assets						
Cash	**348,009**	**114,996**	**463,005**	380,361	38,530	418,891
HST recoverable	**6,694**	**-**	**6,694**	17,041	111	17,152
Prepaid expenses	**5,265**	**1,679**	**6,944**	7,263	3,285	10,548
	359,968	**116,675**	**476,643**	404,665	41,926	446,591
Capital assets (Note 2)	**29,314**	**-**	**29,314**	38,458	-	38,458
	389,282	**116,675**	**505,957**	443,123	41,926	485,049
LIABILITIES						
Current liabilities						
Accounts payable and accrued liabilities	**40,158**	**-**	**40,158**	44,010	-	44,010
Deferred revenue (Note 3)	**3,730**	**-**	**3,730**	7,453	-	7,453
Deferred lease inducement	**1,109**	**-**	**1,109**	2,486	-	2,486
	44,997	**-**	**44,997**	53,949	-	53,949
FUND BALANCES	**344,285**	**116,675**	**460,960**	389,174	41,926	431,100
	389,282	**116,675**	**505,957**	443,123	41,926	485,049

Other information (Note 4)

See accompanying notes.

Approved on behalf of the Board: ______________________ Director ______________________ Director

Gemon Loftus
June 7/17

Shirley Worth
June 7/17

Dr. Jay Children's Grief Centre (the "organization") serves to benefit the community by providing grief counselling, palliative support and specialized programming to children and youth and their families who are facing death, dying, grief, and bereavement.

The organization was originally established in 2006 within Mount Sinai Hospital in Toronto. Since then, the organization has evolved into a stand-alone entity. The organization was formally incorporated on July 23, 2014 under the Canada Not-for-profit Corporation Act as a not-for-profit organization. On August 25, 2014, the organization received registered charitable status and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) *Fund accounting*

The organization uses fund accounting. For financial reporting purposes, the accounts have been classified into the following funds:

Counselling Fund

This fund comprises the unrestricted resources of the organization or restricted resources for which a specific fund does not exists. This fund includes various programs including: youth program, family support program, volunteer program, and research/education program.

Camp Erin Fund

This fund reports any resources that have been provided to the organization specific to Camp Erin Toronto which is a weekend-long overnight bereavement camp in Muskoka for children and teens in the Greater Toronto Area.

1. Significant accounting policies (cont'd)

(b) *Revenue recognition*

The organization follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the Counselling Fund in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions for which a specific fund does not exist are deferred and recognized as revenue of the Counselling Fund in the year in which the related expenses are incurred.

Restricted contributions for which a corresponding restricted fund is presented is recognized as revenue of that fund in the current period.

(c) *Capital assets*

Capital assets are stated at cost. Amortization is recorded at rates calculated to charge the cost of the assets to operations over their estimated useful lives. Maintenance and repairs are charged to operation as incurred. Gains and losses on disposals are calculated on the remaining net book value at the time of disposal and included income.

Amortization is charged to operations on a straight-line basis at the following annual rates:

Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 years straight line
Leasehold improvements	-	remaining lease term

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1. Significant accounting policies (cont'd)

(d) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenditures during the period. Actual results could differ from these estimates.

(e) Allocation of overhead

The funds received under the Camp Erin fund are used for a portion of overhead expenses. The organization allocates these expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

Expenses are allocated under the Camp Erin fund on the following basis:

Salaries - based on management's estimate of time spent carrying out the activities within the fund.

Other expenses - proportionately on the same percentage as the salaries and benefits of the fund.

(f) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

The organization's financial instruments that are measured at amortized cost consist of cash, accounts payable and accrued liabilities, and deferred revenue.

2. Capital assets

	Cost	Accumulated amortization	Net 2017	Net 2016
	$	$	**$**	$
Computer equipment	26,920	15,288	**11,632**	15,061
Furniture & equipment	19,850	5,389	**14,461**	17,187
Leasehold improvements	10,374	7,153	**3,221**	6,210
	57,144	27,830	**29,314**	38,458

3. Deferred revenue

In February 2015, the organization entered into an agreement with the Toronto Central Local Health Integration Network (the "Toronto Central LHIN") pursuant to which it received $189,000 of one-time funding to support the Dr. Jay Children's Grief Program during the period ended March 31, 2015. As at March 31, 2017, the organization had utilized all but $3,730 (2016 - $7,453) of this funding on eligible purchases. The unutilized balance is recorded as deferred revenue and will be recognized as revenue when the related expenses are incurred. During fiscal 2017 $3,722 (2016 - $36,597) of the funding was recognized as revenue in the statement of operations and changes in fund balances.

4. Other Information

(a) *Lease obligation*

The organization is committed under a net lease for premises until September 2017 with rent of $17,640.

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4. **Other information (cont'd)**

(b) *Financial instruments*

The organization is exposed to the following significant financial risk:

(i) *Liquidity risk*

Liquidity risk is the risk that the organization may not be able to meet its financial obligations as they become due. The organization manages its liquidity risk by monitoring and managing the cash requirements to ensure the organization has sufficient funds to meet its operational requirements.

(c) *Comparative figures*

The fiscal 2016 figures have been reclassified where necessary to conform to the presentation adopted in the current year.