

Pine Bay Foundation

Financial Statements

October 31, 2010

Pine Bay Foundation

October 31, 2010

Contents

	Page
Auditors' report	1
Financial statements	
Statement of financial position	2
Statement of operations	3
Statement of changes in fund balances	4
Statement of cash flows	5
Notes to financial statements	6 - 7
Supplementary information	
Schedule of expenditures relating to the operation of Camp Winston	8

Auditors' Report

To the Directors of
Pine Bay Foundation

We have audited the statement of financial position of Pine Bay Foundation as at October 31, 2010 and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of management. 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 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 our opinion, these financial statements present fairly, in all material respects, the financial position of Pine Bay Foundation as at October 31, 2010 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Abrahamse Berkis Pinto & Associates
Chartered Accountants, Licensed Public Accountants
January 7, 2011
LLP 1.

Pine Bay Foundation
 (incorporated under the laws of Ontario)

Statement of Financial Position
 October 31, 2010

	General fund	Capital asset fund	Total	
			2010	2009
Assets				
Current assets				
Cash	\$ 14,327	\$ 19,058	\$ 33,385	\$ 6,052
Harmonized sales tax recoverable	18,736	-	18,736	10,681
Prepaid expenses	21,750	-	21,750	21,115
Inventory (Note 4)	2	-	2	2
	54,815	19,058	73,873	37,850
Capital assets (Notes 5)	-	2,074,983	2,074,983	1,449,951
	\$ 54,815	\$ 2,094,041	\$ 2,148,856	\$ 1,487,801
Liabilities				
Current liabilities				
Accounts payable	\$ 24,488	\$ -	\$ 24,488	\$ 65,504
Fund balances				
General	30,327	-	30,327	(27,654)
Capital assets	-	2,094,041	2,094,041	1,449,951
	30,327	2,094,041	2,124,368	1,422,297
	\$ 54,815	\$ 2,094,041	\$ 2,148,856	\$ 1,487,801

See accompanying notes.

Approval:

Pine Bay Foundation

Statement of Operations For the year ended October 31, 2010

	General fund		Capital asset fund		Jean Iodje expansion fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenue								
Donations (Note 6)	\$ 1,204,536	\$ 700,998	\$ 87,965	\$ 3,165	\$ -	\$ -	\$ 1,292,501	\$ 704,163
Camp fees from participants	216,763	176,573	-	-	-	-	216,763	176,573
Fundraising activities	30,938	17,304	-	-	-	-	30,938	17,304
Investment income (loss)	-	-	-	(3,989)	-	3,276	-	(713)
	1,452,237	894,875	87,965	(824)	-	3,276	1,540,202	897,327
Grant income	4,621	4,323	-	-	-	-	4,621	4,323
	1,456,858	899,198	87,965	(824)	-	3,276	1,544,823	901,650
Expenditures								
Operation of Camp Winston and general administration (Page 8)	786,155	687,994	-	-	-	-	786,155	687,994
Amortization	-	-	56,597	38,914	-	-	56,597	38,914
	786,155	687,994	56,597	38,914	-	-	842,752	726,908
Excess (deficiency) of revenue over expenditures	\$ 670,703	\$ 211,204	\$ 31,368	\$ (39,738)	\$ -	\$ 3,276	\$ 702,071	\$ 174,742

See accompanying notes.

Pine Bay Foundation

Statement of Changes in Fund Balances For the year ended October 31, 2010

	General fund		Capital asset fund		Jean lodge expansion fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Fund balances, beginning of year	\$ (27,654)	\$ (4,906)	\$ 1,449,951	\$ 790,584	\$ -	\$ 461,877	\$ 1,422,297	\$ 1,247,555
Excess (deficiency) of revenue over expenditures	670,703	211,204	31,368	(39,738)	-	3,276	702,071	174,742
Interfund transfers								
Fund cash transfers	(584,324)	(179,436)	584,324	6,218	-	173,218	-	-
Purchase of capital assets								
Boat	(21,463)	-	21,463	-	-	-	-	-
Equipment	(6,935)	(54,516)	6,935	54,516	-	-	-	-
Completion of the Jean Lodge	-	-	-	638,371	-	(638,371)	-	-
Fund balances, end of year	\$ 30,327	\$ (27,654)	\$ 2,094,041	\$ 1,449,951	\$ -	\$ -	\$ 2,124,368	\$ 1,422,297

See accompanying notes.

Pine Bay Foundation

Statement of Cash Flows For the year ended October 31

	2010	2009
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 702,071	\$ 174,742
Items not affecting cash		
Amortization of capital assets	56,597	38,914
Donations in kind, capital assets	(61,911)	(3,165)
	696,757	210,491
Changes in current assets and current liabilities other than cash		
Harmonized sales tax recoverable	(8,055)	(1,330)
Prepaid expenses	(635)	(2,195)
Accounts payable	(41,016)	29,266
	647,051	236,232
Cash flows from investing activities		
Marketable securities	-	93,266
Expansion and improvements of building facilities	(591,320)	(340,267)
Purchase of capital assets, net	(28,398)	(56,745)
	(619,718)	(303,746)
Increase (decrease) in cash for the year	27,333	(67,514)
Cash, beginning of the year	6,052	73,566
Cash, end of the year	\$ 33,385	\$ 6,052

See accompanying notes.

Pine Bay Foundation

Notes to Financial Statements October 31, 2010

1. Purpose of the Organization

The purposes of the Foundation are as follows:

- (a) To provide specialty programs in a recreational setting, to develop and nurture the education, training, social skills, attitudes, self-esteem and well-being of special needs children.
- (b) To provide a development and training program for special needs teenagers.

Pine Bay Foundation is a charitable organization registered under the Income Tax Act, and as such, is exempt from income taxes and able to issue donation receipts for income tax purposes.

2. Significant accounting policies

Basis of presentation

The organization follows generally accepted accounting principles appropriate for not for profit organizations. These financial statements do not include the value of services donated.

Fund balances

The financial statements have been prepared in a manner which segregates the fund balances as follows:

Capital assets fund - represents the cost of capital assets purchased with unrestricted funds less accumulated amortization thereon.

General fund - represents the cumulative excess of revenue over expenses of the organization since its inception that is available for general use.

Capital assets

Capital assets purchased are recorded at cost. Donated capital assets are recorded at fair value on date contributed. Capital assets are amortized over their estimated useful lives as follows:

Buildings	40 years straight-line
Automobiles	30% declining balance
Boat and furniture, fixtures and equipment	20% declining balance

Revenue recognition

Revenue from unrestricted donations and grants are recognized when received. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized.

Camp fees and special events revenues are recognized on completion of the camp term and event.

Contributed materials and services

Materials contributed to be used in carrying out the service delivery activities of the organization are reported at fair market value at the date of contribution. Services contributed are not reflected in the financial statements as the fair market value is not readily determinable.

Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles has required management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at October 31, 2010 and the revenue and expenditures reported for the year then ended. Actual results may differ from those estimates.

Pine Bay Foundation

Notes to Financial Statements October 31, 2010

3. Financial instruments

Fair value

The foundation's financial instruments consist of cash, prepaid expenses and accounts payable. The carrying value of each of these financial instruments approximates their fair values unless otherwise noted.

4. Inventory

The Foundation has produced certain books and video tapes in order to enhance public understanding with regards to the requirements of special needs children. The books and video tapes are distributed and sold to interested parties. Inventory of these items are reflected on the financial statements at a nominal value of \$2.

5. Capital assets

	Cost	Accumulated amortization	Net	
			2010	2009
Land	\$ 413,572	\$ -	\$ 413,572	\$ 413,572
Buildings (i)	1,717,526	161,301	1,556,225	952,954
Furniture, fixtures and equipment	202,313	129,315	72,998	65,779
Automobiles	39,086	30,360	8,726	12,465
Boats	51,835	28,373	23,462	5,181
	\$ 2,424,332	\$ 349,349	\$ 2,074,983	\$ 1,449,951

(i) During the current year, costs were incurred with respect to the construction of new infirmary, office and dormitory quarters at Camp Winston. The new additions were available for use and accordingly, costs totalling \$489,756 were transferred to capital assets. In addition, included are significant building improvement costs to the dining hall and other areas of the premises totalling \$148,475.

6. Related party transaction

Total donations received of \$1,204,536 (2009 - \$700,998) include the sum of \$1,037,530 (2009 - \$487,392) which was gifted to the Foundation by a major donor primarily to fund capital expenditures.

7. Lease commitments

The organization leases its administration premises located at 2040 Yonge Street Limited. The lease agreement has an initial term of five years ending on September 30, 2011. The annual basic rent is approximately \$24,343 plus additional share of common area expenses.

Pine Bay Foundation

Schedule of Expenditures Relating to the Operation of Camp Winston and General Administrative For the year ended October 31, 2010

	Charity	Respite	Administrative	Fundraising	Total		Variance
					2010	2009	
Automobile and travel	\$ 7,551	\$ 16,701	\$ 1,276	\$ -	\$ 25,528	\$ 8,830	\$ 16,698
Camp programs	47,325	5,669	-	-	52,994	49,546	3,448
Communications	10,719	-	-	-	10,719	7,597	3,122
Electricity	18,423	-	-	-	18,423	13,966	4,457
Insurance	31,553	-	-	-	31,553	31,945	(392)
Kitchen operations	38,163	6,442	-	-	44,605	37,453	7,152
Office rent	21,863	-	-	1,151	23,014	21,765	1,249
Office, general and supplies	14,409	-	7,366	2,419	24,194	22,096	2,098
Professional fees	15,497	-	-	-	15,497	16,066	(569)
Realty taxes	14,075	-	-	-	14,075	11,114	2,961
Repairs and maintenance	51,232	-	-	-	51,232	52,057	(825)
Salaries and benefits	272,192	90,671	53,823	49,306	465,992	405,869	60,123
Telephone and internet	6,521	-	1,808	-	8,329	9,690	(1,361)
	\$ 549,523	\$ 119,483	\$ 64,273	\$ 52,876	\$ 786,155	\$ 687,994	\$ 98,161