

Camp Winston Foundation

Financial Statements

August 31, 2016

Camp Winston Foundation

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Independent Auditors' Report

To the Directors of
Camp Winston Foundation

We have audited the accompanying financial statements of Camp Winston Foundation, which comprise the statement of financial position as at August 31, 2016 and the statements of operations, changes in fund balances 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 private enterprises, 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.

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 is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Camp Winston Foundation as at August 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, which is one of the financial reporting frameworks included in Canadian generally accepted accounting principles.

Abrahamse Berkis Pinto LLP

Chartered Accountants, Licensed Public Accountants
February 16, 2017

1.

Camp Winston Foundation

(incorporated without share capital under the laws of Ontario)

Statement of Financial Position August 31, 2016

	General fund	Capital asset fund	Endowment fund	Total	
				2016	2015
Assets					
Current assets					
Cash and cash equivalents	\$ 125,200	\$ 46,065	\$ -	\$ 171,265	\$ 218,337
Marketable securities	-	-	7,300	7,300	7,600
Accounts and other receivables (Note 3)	38,125	-	-	38,125	103,869
Prepaid expenses	29,398	-	-	29,398	27,760
Inventory (Note 4)	2	-	-	2	2
	192,725	46,065	7,300	246,090	357,568
Marketable securities, long-term	-	-	54,950	54,950	56,170
Capital assets (Note 5)	-	2,730,432	-	2,730,432	2,870,634
	\$ 192,725	\$ 2,776,497	\$ 62,250	\$ 3,031,472	\$ 3,284,372
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities (Note 6)	\$ 97,958	\$ -	\$ -	\$ 97,958	\$ 143,291
Deferred revenue (Note 9)	34,750	-	-	34,750	7,127
	132,708	-	-	132,708	150,418
Fund balances					
General	60,017	-	-	60,017	147,654
Capital assets	-	2,776,497	-	2,776,497	2,922,530
Endowment (Note 7)	-	-	62,250	62,250	63,770
	60,017	2,776,497	62,250	2,898,764	3,133,954
	\$ 192,725	\$ 2,776,497	\$ 62,250	\$ 3,031,472	\$ 3,284,372

See accompanying notes.

Approval:

Camp Winston Foundation

Statement of Operations For the year ended August 31, 2016

	General fund		Capital asset fund		Endowment fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue								
Donations (Note 8)	\$ 921,639	\$ 1,106,258	\$ 85,000	\$ 160,000	\$ -	\$ 17,199	\$ 1,006,639	\$ 1,283,457
Camp and respite fees	239,078	204,633	-	-	-	-	239,078	204,633
Fundraising activities (Note 9)	38,575	96,538	-	-	-	-	38,575	96,538
Investment income (net)	-	-	187	-	2,288	823	2,475	823
Unrealized gain (loss) on marketable securities	-	-	-	-	5,917	(6,528)	5,917	(6,528)
	1,199,292	1,407,429	85,187	160,000	8,205	11,494	1,292,684	1,578,923
Expenditures								
Operation of Camp Winston and general administration (Page 10)	1,429,555	1,419,985	-	-	-	-	1,429,555	1,419,985
Excess (deficiency) of revenue over expenditures before amortization (Note 8)	\$ (230,263)	\$ (12,556)	\$ 85,187	\$ 160,000	\$ 8,205	\$ 11,494	\$ (136,871)	\$ 158,938
Amortization	-	-	98,319	102,594	-	-	98,319	102,594
	(230,263)	(12,556)	(13,132)	57,406	8,205	11,494	(235,190)	56,344

See accompanying notes.

Camp Winston Foundation

Statement of Changes in Fund Balances For the year ended August 31, 2016

	General fund		Capital asset fund		Endowment fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Fund balances, beginning of year	\$ 147,654	\$ 220,965	\$ 2,922,530	\$ 2,795,757	\$ 63,770	\$ 60,888	\$ 3,133,954	\$ 3,077,610
Excess (deficiency) of revenue over expenditures	(230,263)	(12,556)	(13,132)	57,406	8,205	11,494	(235,190)	56,344
Interfund transfers								
Fund cash transfers	142,626	(37,057)	(132,901)	45,669	(9,725)	(8,612)	-	-
Capital improvements to building facilities	-	(23,698)	-	23,698	-	-	-	-
Fund balances, end of year	\$ 60,017	\$ 147,654	\$ 2,776,497	\$ 2,922,530	\$ 62,250	\$ 63,770	\$ 2,898,764	\$ 3,133,954

See accompanying notes.

Camp Winston Foundation

Statement of Cash Flows For the year ended August 31, 2016

	2016	2015
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ (235,190)	\$ 56,344
Items not affecting cash		
Amortization of capital assets	98,319	102,594
Unrealized (gain) loss on marketable securities	(5,917)	6,528
	(142,788)	165,466
Changes in current assets and current liabilities other than cash		
Accounts and other receivables	65,744	90,933
Prepaid expenses	(1,638)	(2,486)
Accounts payable and accrued liabilities	(45,333)	10,906
Deferred revenue	27,623	7,127
	(96,392)	271,946
Cash flows from investing activities		
Marketable securities	7,437	(10,421)
Acquisition of capital assets	(3,849)	(23,062)
Capital improvements to building facilities (Note 5)	45,732	(199,043)
	49,320	(232,526)
Increase (decrease) in cash for the year	(47,072)	39,420
Cash, beginning of the year	218,337	178,917
Cash, end of the year	\$ 171,265	\$ 218,337

See accompanying notes.

Camp Winston Foundation

Notes to Financial Statements August 31, 2016

1. Nature of operations

During the year, the Foundation changed its name from Pine Bay Foundation to Camp Winston Foundation.

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.

Camp Winston 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

These financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following significant accounting policies have been applied in preparing the financial statements for the year:

Basis of presentation

These financial statements have been presented on the basis that the Foundation will have continued financial support from its major donor (Note 8). Accordingly, the assets and liabilities have been stated on a going concern basis.

Fund balances

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

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

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

Endowment fund - represents donations that have been restricted by donors. Investment income earned from the restricted donations is reported in the Endowment fund.

Capital assets

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

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

Camp Winston Foundation

Notes to Financial Statements August 31, 2016

Revenue recognition

The foundation accounts for donation revenue under the deferral method. Under this method revenue from unrestricted donations and grants are recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. 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 upon 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 unless the fair market value of the service can be reasonably estimated.

Financial instruments and risk management

The foundation's financial instruments consist of cash, marketable securities, contributions and camp fees receivable, accounts payable and accrued liabilities and deferred revenue. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The carrying value of each of these financial instruments approximates their fair values unless otherwise noted.

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 August 31, 2016 and the revenue and expenditures reported for the year then ended. Actual results may differ from those estimates.

3. Accounts and other receivables

	2016	2015
Contributions and fees receivable	\$ 3,750	\$ 14,600
Harmonized sales tax receivable	34,375	89,269
	<u>\$ 38,125</u>	<u>\$ 103,869</u>

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 is reflected on the financial statements at a nominal value of \$2.

Camp Winston Foundation

Notes to Financial Statements August 31, 2016

5. Capital assets

	Cost	Accumulated amortization	Net	
			2016	2015
Land	\$ 413,572	\$ -	\$ 413,572	\$ 413,572
Buildings (i)	2,700,976	502,412	2,198,564	2,312,027
Furniture, fixtures and equipment	380,108	285,038	95,070	114,121
Automobiles	49,008	38,473	10,535	15,050
Boats	66,467	53,776	12,691	15,864
	\$ 3,610,131	\$ 879,699	\$ 2,730,432	\$ 2,870,634

(i) Included in buildings are insurance proceeds received during the year of \$124,790 for reconstruction costs of the barn.

6. Accounts payable and accrued liabilities

	2016	2015
Trade and accrued liabilities	\$ 91,514	\$ 113,968
Government remittances	6,444	29,323
	\$ 97,958	\$ 143,291

7. Endowment Fund

The Foundation established the Hartley Steinberg Endowment Fund pursuant to an agreement with various donors. Accumulated funds are being paid out in the form of camp scholarships over the next eight years. The funds to be awarded as scholarships in the upcoming year are shown as current assets in the statement of financial position.

8. Related party transaction

Total donations received of \$1,006,639 (2015 - \$1,283,457) include the sum of \$780,000 (2015 - \$960,000) which was gifted to the Foundation by a major donor to fund both operating and capital expenditures throughout the year.

In Fiscal 2016, the funding provided by the major donor decreased as funds advanced are based on the foundation's monthly cash flow requirements.

Camp Winston Foundation

Notes to Financial Statements August 31, 2016

9. Fundraising activities

Fundraising revenues include the following events and activities:

	2016	2015
Golf tournament, net	\$ -	\$ 43,803
Other events and activities	38,575	52,735
	\$ 38,575	\$ 96,538

The foundation did not host a charity golf tournament in Fiscal 2016, accounting for the decrease in fundraising activity revenues, as indicated above. The main fundraising event in Fiscal 2016 was a charity run and revenues from this event are included above in other events and activities.

Subsequent to the year-end, the foundation held two fundraising events, a charity run and a 25th anniversary charity fundraiser. Donations received for these events totalled \$34,750, and have been recorded as deferred revenue that will be recognized in Fiscal 2017 revenues.

10. Lease commitments

The organization entered into a two year lease agreement commencing June 1, 2016 for its administrative office located at 55 Eglinton Avenue East. The annual basic rent, including common area and parking is approximately \$33,300.

11. Comparative figures

Certain of the 2015 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Camp Winston Foundation

Schedule of Expenditures For the year ended August 31, 2016

	Charity operations		General administration		Total		Change
	Camp	Respite	Administrative	Fundraising	2016	2015	
Automobile and travel	\$ 12,930	\$ 12,871	\$ -	\$ -	\$ 25,801	\$ 30,498	\$ (4,697)
Programs	59,309	9,255	-	-	68,564	66,320	2,244
Communications	34,622	-	-	-	34,622	10,627	23,995
Insurance	25,568	-	10,367	-	35,935	32,826	3,109
Kitchen operations	168,453	17,022	-	-	185,475	179,375	6,100
Office rent	33,004	-	-	-	33,004	32,645	359
Office, general and supplies	39,188	3,394	-	-	42,582	41,702	880
Professional fees	88,530	-	-	-	88,530	70,547	17,983
Realty taxes	21,345	-	-	-	21,345	20,022	1,323
Repairs and maintenance	127,557	40,785	-	-	168,342	160,955	7,387
Wages and benefits	323,410	147,029	110,224	65,848	646,511	704,323	(57,812)
Training and development	15,952	-	-	-	15,952	10,896	5,056
Utilities	16,821	35,511	-	-	52,332	47,959	4,373
Telephone and internet	3,737	2,909	3,914	-	10,560	11,290	(730)
	\$ 970,426	\$ 268,776	\$ 124,505	\$ 65,848	\$ 1,429,555	\$ 1,419,985	\$ 9,570