

Camp Winston Foundation

Financial Statements

August 31, 2017

Camp Winston Foundation

August 31, 2017

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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, 2017 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 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.

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, 2017 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.

Abrahamse Pinto LLP

Chartered Professional Accountants, Licensed Public Accountants
January 18, 2018

1.

Camp Winston Foundation

(incorporated without share capital under the laws of Ontario)

Statement of Financial Position

August 31, 2017

| | General fund | Capital asset fund | Endowment fund | Total | |
|--|-----------------|--------------------------|-------------------|--------------|--------------|
| | | | | 2017 | 2016 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | \$ 109,102 | \$ 326,182 | \$ - | \$ 435,284 | \$ 171,265 |
| Marketable securities | - | - | 7,300 | 7,300 | 7,300 |
| Accounts and other receivables (Note 3) | 65,138 | - | - | 65,138 | 38,125 |
| Prepaid expenses | 26,280 | 8,999 | - | 35,279 | 29,400 |
| | 200,520 | 335,181 | 7,300 | 543,001 | 246,090 |
| Marketable securities, long-term | - | - | 50,163 | 50,163 | 54,950 |
| Capital assets (Note 4) | - | 2,691,171 | - | 2,691,171 | 2,730,432 |
| | \$ 200,520 | \$ 3,026,352 | \$ 57,463 | \$ 3,284,335 | \$ 3,031,472 |
| Liabilities | | | | | |
| Current liabilities | | | | | |
| Accounts payable and accrued liabilities (Note 5) | \$ 114,903 | \$ - | \$ - | \$ 114,903 | \$ 97,958 |
| Deferred grants and revenues (Note 6) | 6,984 | 269,500 | - | 276,484 | 34,750 |
| | 121,887 | 269,500 | - | 391,387 | 132,708 |
| Fund balances | | | | | |
| General | 78,633 | - | - | 78,633 | 60,017 |
| Capital assets | - | 2,756,852 | - | 2,756,852 | 2,776,497 |
| Endowment (Note 7) | - | - | 57,463 | 57,463 | 62,250 |
| | 78,633 | 2,756,852 | 57,463 | 2,892,948 | 2,898,764 |
| | \$ 200,520 | \$ 3,026,352 | \$ 57,463 | \$ 3,284,335 | \$ 3,031,472 |

See accompanying notes.

Approval:



Camp Winston Foundation

Statement of Operations

For the year ended August 31, 2017

| | General fund | | Capital asset fund | | Endowment fund | | Total | |
|--|--------------|--------------|--------------------|-------------|----------------|----------|--------------|--------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenue | | | | | | | | |
| Donations and grants (Note 8) | \$ 1,201,528 | \$ 921,639 | \$ 49,000 | \$ 85,000 | \$ - | \$ - | \$ 1,250,528 | \$ 1,006,639 |
| Camp and respite fees | 194,436 | 239,078 | - | - | - | - | 194,436 | 239,078 |
| Fundraising activities (Note 9) | 107,149 | 38,575 | - | - | - | - | 107,149 | 38,575 |
| Investment income (net) | - | - | 541 | 187 | 1,544 | 2,288 | 2,085 | 2,475 |
| | 1,503,113 | 1,199,292 | 49,541 | 85,187 | 1,544 | 2,288 | 1,554,198 | 1,286,767 |
| Expenditures | | | | | | | | |
| Operation of Camp Winston and general administration (Page 10) | 1,459,847 | 1,429,555 | - | - | - | - | 1,459,847 | 1,429,555 |
| Excess (deficiency) of revenue over expenditures before undernoted items (Note 8) | | | | | | | | |
| | 43,266 | (230,263) | 49,541 | 85,187 | 1,544 | 2,288 | 94,351 | (142,788) |
| Unrealized loss (gain) on marketable securities | - | - | - | - | (2,695) | (5,917) | (2,695) | (5,917) |
| Loss on sale of asset | - | - | 5,683 | - | - | - | 5,683 | - |
| Amortization | - | - | 97,179 | 98,319 | - | - | 97,179 | 98,319 |
| | \$ 43,266 | \$ (230,263) | \$ (53,321) | \$ (13,132) | \$ 4,239 | \$ 8,205 | \$ (5,816) | \$ (235,190) |

See accompanying notes.

Camp Winston Foundation

Statement of Changes in Fund Balances For the year ended August 31, 2017

| | General fund | | Capital asset fund | | Endowment fund | | Total | |
|--|------------------|------------------|---------------------|---------------------|------------------|------------------|---------------------|---------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Fund balances, beginning of year | \$ 60,017 | \$ 147,654 | \$ 2,776,497 | \$ 2,922,530 | \$ 62,250 | \$ 63,770 | \$ 2,898,764 | \$ 3,133,954 |
| Excess (deficiency) of revenue over expenditures | 43,266 | (230,263) | (53,321) | (13,132) | 4,239 | 8,205 | (5,816) | (235,190) |
| Interfund transfers | | | | | | | | |
| Fund cash transfers | (24,650) | 142,626 | 33,676 | (132,901) | (9,026) | (9,725) | - | - |
| Fund balances, end of year | \$ 78,633 | \$ 60,017 | \$ 2,756,852 | \$ 2,776,497 | \$ 57,463 | \$ 62,250 | \$ 2,892,948 | \$ 2,898,764 |

See accompanying notes.

Camp Winston Foundation

Statement of Cash Flows

For the year ended August 31, 2017

| | 2017 | 2016 |
|--|-------------------|-------------------|
| Cash flows from operating activities | | |
| Excess (deficiency) of revenues over expenditures | \$ (5,816) | \$ (235,190) |
| Items not affecting cash | | |
| Amortization of capital assets | 97,179 | 98,319 |
| Unrealized loss on marketable securities | (2,695) | (5,917) |
| Loss on sale of capital asset | 5,683 | - |
| | 94,351 | (142,788) |
| Changes in current assets and current liabilities other than cash | | |
| Accounts and other receivables | (27,013) | 65,744 |
| Prepaid expenses | (5,879) | (1,638) |
| Accounts payable and accrued liabilities | 16,945 | (45,333) |
| Deferred grants and revenues | 241,734 | 27,623 |
| | 320,138 | (96,392) |
| Cash flows from investing activities | | |
| Marketable securities | 7,482 | 7,437 |
| Acquisition of capital assets | (37,771) | (3,849) |
| Capital improvements to building facilities | (25,830) | 45,732 |
| | (56,119) | 49,320 |
| Increase (decrease) in cash for the year | 264,019 | (47,072) |
| Cash, beginning of the year | 171,265 | 218,337 |
| Cash, end of the year | \$ 435,284 | \$ 171,265 |

See accompanying notes.

Camp Winston Foundation

Notes to Financial Statements August 31, 2017

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 restricted and unrestricted funds less accumulated amortization thereon.

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

Cash and cash equivalents

Investments that are readily convertible into cash such as term deposits, guaranteed investment certificates and money market funds are included in cash and cash equivalents.

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, 2017

2. Significant accounting policies (continued)

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 expenditures 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.

Allocation of expenses

The Foundation allocates costs on the schedule of expenditures by identifying the appropriate basis of allocating and applying that basis consistently each year. The costs of charity operations, administration and fundraising activities include direct costs and allocated costs mainly based on usage and estimated time spent.

Financial instruments

(i) Measurement

The Foundation initially measures its financial instruments at fair value. Subsequently, all financial instruments are measured at amortized cost except for marketable securities quoted in an active market, which are measured at fair value.

Financial assets measured at amortized cost include cash and cash equivalents and accounts and other receivables. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred grants and revenues.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Any previously recognized impairment loss may be reversed to the extent of the improvement. The amount of any write-down or subsequent reversal is recognized in the statement of operations.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations has required management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at August 31, 2017 and the revenue and expenditures reported for the year then ended. Actual results may differ from those estimates.

3. Accounts and other receivables

| | 2017 | 2016 |
|---|------------------|------------------|
| Contributions, fees and grants receivable | \$ 17,213 | \$ 3,750 |
| Harmonized sales tax receivable | 47,925 | 34,375 |
| | \$ 65,138 | \$ 38,125 |

Camp Winston Foundation

Notes to Financial Statements

August 31, 2017

4. Capital assets

| | Cost | Accumulated amortization | Net | |
|-----------------------------------|--------------|-----------------------------|--------------|--------------|
| | | | 2017 | 2016 |
| Land | \$ 413,572 | \$ - | \$ 413,572 | \$ 413,572 |
| Buildings | 2,726,806 | 570,259 | 2,156,547 | 2,198,564 |
| Furniture, fixtures and equipment | 388,823 | 304,291 | 84,532 | 95,070 |
| Automobiles | 58,208 | 31,841 | 26,367 | 10,535 |
| Boats | 66,467 | 56,314 | 10,153 | 12,691 |
| | \$ 3,653,876 | \$ 962,705 | \$ 2,691,171 | \$ 2,730,432 |

5. Accounts payable and accrued liabilities

| | 2017 | 2016 |
|-------------------------------|------------|-----------|
| Trade and accrued liabilities | \$ 114,903 | \$ 91,514 |
| Government remittances | - | 6,444 |
| | \$ 114,903 | \$ 97,958 |

6. Deferred grants and revenues

Included in deferred grants and revenues are the following:

(i) General fund - donations received of \$6,984 for a charity run that will be held in Fiscal 2018.

(ii) Capital asset fund - a restricted capital grant of \$299,400 was awarded from the Ontario Trillium Foundation for the structural upgrade and retrofit costs of one of the camp's original lodges. As at year-end, the Foundation received \$269,500 of the grant. Costs incurred as at August 31, 2017 total \$8,999 and are included in prepaid expenses in the Capital asset fund.

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 seven years. The funds to be awarded as scholarships in the upcoming year are shown as current assets in the statement of financial position.

Camp Winston Foundation

Notes to Financial Statements August 31, 2017

8. Related party transaction

Total donations received of \$1,250,528 (2016 - \$1,006,639) include the sum of \$1,061,000 (2016 - \$780,000) which was gifted to the Foundation by a major donor to fund both operating and capital expenditures throughout the year.

The funding provided by the major donor is advanced based on the foundation's monthly cash flow requirements.

9. Fundraising activities

Fundraising revenues include the following:

| | 2017 | 2016 |
|-----------------------------|-------------------|------------------|
| 25th Anniversary event | \$ 54,187 | \$ - |
| Other events and activities | 52,962 | 38,575 |
| | \$ 107,149 | \$ 38,575 |

Included in other events and activities was a charity run held in Fiscal 2017.

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. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundations's investments in marketable securities expose the organization to market risk as such investments are subject to price changes in the open market.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to little or no currency risk as virtually all of its assets and liabilities are denominated in Canadian currency.

Management is of the opinion that the Foundation is not exposed to any other significant risks through its financial instruments.

12. Comparative figures

Certain of the 2016 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, 2017

| | <u>Charity operations</u> | | <u>General administration</u> | | <u>Total</u> | | Change |
|------------------------------|---------------------------|----------------|-------------------------------|--------------------|--------------|--------------|------------|
| | <u>Camp</u> | <u>Respite</u> | <u>Administrative</u> | <u>Fundraising</u> | <u>2017</u> | <u>2016</u> | |
| Automobile and travel | \$ 11,739 | \$ 9,392 | \$ - | \$ 2,348 | \$ 23,479 | \$ 25,801 | \$ (2,322) |
| Programs | 71,025 | 3,469 | - | - | 74,494 | 68,564 | 5,930 |
| Communications | 12,801 | - | - | 1,422 | 14,223 | 34,622 | (20,399) |
| Insurance | 29,233 | - | 7,308 | - | 36,541 | 35,935 | 606 |
| Kitchen operations | 177,575 | 13,748 | - | - | 191,323 | 185,475 | 5,848 |
| Office rent | 31,616 | - | - | - | 31,616 | 33,004 | (1,388) |
| Office, general and supplies | 21,857 | 3,618 | 10,854 | 3,618 | 39,947 | 42,583 | (2,636) |
| Professional fees | 115,857 | - | - | - | 115,857 | 88,530 | 27,327 |
| Realty taxes | 20,380 | - | - | - | 20,380 | 21,345 | (965) |
| Repairs and maintenance | 170,145 | 45,295 | - | - | 215,440 | 168,342 | 47,098 |
| Wages and benefits | 351,170 | 124,255 | 65,818 | 73,955 | 615,198 | 646,511 | (31,313) |
| Training and development | 16,186 | - | - | 852 | 17,038 | 15,952 | 1,086 |
| Utilities | 18,441 | 35,798 | - | - | 54,239 | 52,332 | 1,907 |
| Telephone and internet | 4,532 | 2,518 | 3,022 | - | 10,072 | 10,559 | (487) |
| | \$ 1,052,557 | \$ 238,093 | \$ 87,002 | \$ 82,195 | \$ 1,459,847 | \$ 1,429,555 | \$ 30,292 |