

Camp Winston Foundation

Financial Statements

August 31, 2018

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, 2018 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, 2018 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 17, 2019

Camp Winston Foundation

(incorporated without share capital under the laws of Ontario)

Statement of Financial Position August 31, 2018

	General fund	Capital asset fund	Endowment fund	Total	
				2018	2017
Assets					
Current assets					
Cash and cash equivalents	\$ -	\$ 70,496	\$ 963	\$ 71,459	\$ 435,284
Marketable securities	-	-	6,337	6,337	7,300
Accounts and other receivables (Note 3)	227,488	-	-	227,488	65,138
Prepaid expenses	25,689	-	-	25,689	35,279
	253,177	70,496	7,300	330,973	543,001
Marketable securities, long-term	-	-	41,154	41,154	50,163
Capital assets (Note 4)	-	3,187,754	-	3,187,754	2,691,171
	\$ 253,177	\$ 3,258,250	\$ 48,454	\$ 3,559,881	\$ 3,284,335
Liabilities					
Current liabilities					
Bank overdraft	\$ 3,359	\$ -	\$ -	\$ 3,359	\$ -
Accounts payable and accrued liabilities	155,696	-	-	155,696	114,903
Deferred grants and revenues (Note 5)	15,880	276,994	-	292,874	276,484
	174,935	276,994	-	451,929	391,387
Fund balances					
General	78,242	-	-	78,242	78,633
Capital assets	-	2,981,256	-	2,981,256	2,756,852
Endowment (Note 6)	-	-	48,454	48,454	57,463
	78,242	2,981,256	48,454	3,107,952	2,892,948
	\$ 253,177	\$ 3,258,250	\$ 48,454	\$ 3,559,881	\$ 3,284,335

See accompanying notes.

Approval:



Camp Winston Foundation

Statement of Operations
For the year ended August 31, 2018

	General fund		Capital asset fund		Endowment fund		Total
	2018	2017	2018	2017	2018	2017	
Revenue							
Donations and grants (Note 5(ii) & 7)	\$1,138,252	\$1,201,528	\$ 234,705	\$ 49,000	\$ -	\$ -	\$ 1,372,957
Camp and respite fees	276,589	194,436	-	-	-	-	276,589
Fundraising activities (Note 8)	184,156	107,149	-	-	-	-	184,156
Investment income (net)	-	-	84	541	2,376	1,544	107,149
							2,460
	1,598,997	1,503,113	234,789	49,541	2,376	1,544	1,836,162
Expenditures							
Operation of Camp Winston and general administration (Page 11)	1,516,601	1,459,847	-	-	-	-	1,516,601
							1,459,847
Excess of revenue over expenditures before undernoted items	82,396	43,266	234,789	49,541	2,376	1,544	319,561
Unrealized loss (gain) on marketable securities	-	-	-	-	731	(2,695)	731
Loss on sale of asset	-	-	-	5,683	-	-	5,683
Amortization	-	-	103,826	97,179	-	-	103,826
	\$ 82,396	\$ 43,266	\$ 130,963	\$ (53,321)	\$ 1,645	\$ 4,239	\$ 215,004
							\$ (5,816)

See accompanying notes.

Camp Winston Foundation

Statement of Changes in Fund Balances For the year ended August 31, 2018

	General fund		Capital asset fund		Endowment fund		Total
	2018	2017	2018	2017	2018	2017	
Fund balances, beginning of year	\$ 78,633	\$ 60,017	\$ 2,756,852	\$ 2,776,497	\$ 57,463	\$ 62,250	\$ 2,892,948
Excess (deficiency) of revenue over expenditures	82,396	43,266	130,963	(53,321)	1,645	4,239	215,004
Interfund transfers							(5,816)
Fund cash transfers	(82,787)	(24,650)	93,441	33,676	(10,654)	(9,026)	-
Fund balances, end of year	\$ 78,242	\$ 78,633	\$ 2,981,256	\$ 2,756,852	\$ 48,454	\$ 57,463	\$ 3,107,952
							\$ 2,892,948

See accompanying notes.

Camp Winston Foundation

Statement of Cash Flows For the year ended August 31, 2018

	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenues over expenditures	\$ 215,004	\$ (5,816)
Items not affecting cash		
Amortization of capital assets	103,826	97,179
Unrealized loss on marketable securities	731	(2,695)
Loss on sale of capital asset	-	5,683
	319,561	94,351
Changes in current assets and current liabilities other than cash		
Accounts and other receivables	(162,350)	(27,013)
Prepaid expenses	9,590	(5,879)
Accounts payable and accrued liabilities	40,793	16,945
Deferred grants and revenues	16,390	241,734
Bank overdraft	3,359	-
	227,343	320,138
Cash flows from investing activities		
Marketable securities	9,241	7,482
Acquisition of capital assets	(14,907)	(37,771)
Capital improvements to building facilities	(585,502)	(25,830)
	(591,168)	(56,119)
Increase (decrease) in cash for the year	(363,825)	264,019
Cash, beginning of the year	435,284	171,265
Cash, end of the year	\$ 71,459	\$ 435,284

See accompanying notes.

Camp Winston Foundation

Notes to Financial Statements
August 31, 2018

1. Nature of operations

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 7). 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

In the year of acquisition, amortization is calculated at one-half the annual rate.

Camp Winston Foundation

Notes to Financial Statements
August 31, 2018

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 for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the asset acquired. Restricted contributions for expenses 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, 2018 and the revenue and expenditures reported for the year then ended. Actual results may differ from those estimates.

Camp Winston Foundation

Notes to Financial Statements
August 31, 2018

3. Accounts and other receivables

	2018	2017
Contributions, fees and grants receivable	\$ 24,325	\$ 17,213
Harmonized sales tax receivable	162,633	47,925
Insurance claim receivable (Note 4)	40,530	-
	<u>\$ 227,488</u>	<u>\$ 65,138</u>

4. Capital assets

	Cost	Accumulated amortization	Net	
			2018	2017
Land	\$ 413,572	\$ -	\$ 413,572	\$ 413,572
Buildings (i)	3,312,307	645,748	2,666,559	2,156,547
Furniture, fixtures and equipment	403,731	322,688	81,043	84,532
Automobiles	58,208	39,751	18,457	26,367
Boats	66,467	58,344	8,123	10,153
	<u>\$ 4,254,285</u>	<u>\$ 1,066,531</u>	<u>\$ 3,187,754</u>	<u>\$ 2,691,171</u>

(i) Included in buildings are building improvements and construction costs related to the teen lodge, staff lodge and boat house. Costs totalling \$585,502 were incurred, net of insurance proceeds of \$115,530 for reconstruction costs of the boat house.

5. Deferred grants and revenues

Included in deferred grants and revenues are the following:

(i) General fund:

Donations received of \$15,880 (2017 - \$6,984) are for a charity run that will be held in Fiscal 2019.

(ii) Capital asset fund:

A restricted capital grant of \$280,500 was received in aggregate over two fiscal years from the Ontario Trillium Foundation for the structural upgrade and retrofit costs of the camp's original teen lodge. The project was completed in Fiscal 2018 and total costs of \$517,311 were incurred by Camp Winston and included in buildings (Note 4).

In accordance with the Foundation's accounting policy, the grant will be amortized on a straight-line basis of 40 years. Included in donations and grants revenue for Fiscal 2018, is the recognition of this grant of \$3,506.

Included in donations and grants revenue are contributed materials at a fair value of \$30,474, related to the building improvements of the staff lodge.

Camp Winston Foundation

Notes to Financial Statements August 31, 2018

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

7. Related party transaction

Total donations and grants received of \$1,372,957 (2017 - \$1,250,528) include the sum of \$1,195,000 (2017 - \$1,061,000) which was gifted to the Foundation by a major donor to fund operating and capital expenditures throughout the year of \$1,055,000 and \$140,000 respectively.

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

8. Fundraising activities

Fundraising revenues include the following:

	2018	2017
Annual Runraiser	\$ 49,970	\$ 52,152
Annual Challenge Fundraiser	45,670	-
Annual Donor Recognition Event	87,535	-
25th Anniversary Event	-	54,187
Other fundraising activities	981	810
	<u>\$ 184,156</u>	<u>\$ 107,149</u>

9. Lease commitments

The organization entered into a three year lease agreement commencing June 1, 2018 for its administrative office located at 55 Eglinton Avenue East. The annual basic rent, including common area and parking is approximately \$35,800.

Camp Winston Foundation

Notes to Financial Statements
August 31, 2018

10. 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.

11. Comparative figures

Certain of the 2017 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, 2018

	Charity operations		General administration		Total		Change
	Camp	Respite	Administrative	Fundraising	2018	2017	
Automobile and travel	\$ 23,060	\$ 9,545	\$ -	\$ -	\$ 32,605	\$ 23,479	\$ 9,126
Programs	59,464	3,519	6,319	10,127	79,429	74,494	4,935
Communications	11,895	-	-	3,910	15,805	14,223	1,582
Insurance	30,230	-	7,558	-	37,788	36,541	1,247
Kitchen operations	190,285	15,656	-	1,262	207,203	191,323	15,880
Office rent	35,206	-	-	-	35,206	31,616	3,590
Office, general and supplies	21,560	3,920	11,760	4,039	41,279	39,947	1,332
Professional fees	108,921	-	-	-	108,921	115,857	(6,936)
Realty taxes	19,988	-	-	-	19,988	20,380	(392)
Repairs and maintenance	177,448	41,707	-	-	219,155	215,440	3,715
Wages and benefits	354,494	117,540	74,543	98,881	645,458	615,198	30,260
Training and development	14,848	-	-	-	14,848	17,038	(2,190)
Utilities	14,655	28,483	-	-	43,138	54,239	(11,101)
Telephone and internet	6,462	2,657	5,310	1,349	15,778	10,072	5,706
	\$ 1,068,516	\$ 223,027	\$ 105,490	\$ 119,568	\$ 1,516,601	\$ 1,459,847	\$ 56,754