

CAMP OCHIGEAS

**CONSOLIDATED
FINANCIAL STATEMENTS**

OCTOBER 31, 2008

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AUDITORS' REPORT

To the Board of Directors and Members of Camp Oochigeas:

We have audited the consolidated statement of financial position of Camp Oochigeas as at October 31, 2008 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the organization. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Except as explained in the following paragraph, 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 that the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In common with many charitable organizations, this organization derives revenue from donations and fundraising activities 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 and fundraising revenues, excess (deficiency) of revenue over expenditures, assets and surplus.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the organization as at October 31, 2008 and the results of its operations and the changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Shimmerman Penn LLP

Shimmerman Penn LLP

Chartered Accountants

Licensed Public Accountants

Toronto, Canada

December 5, 2008

CAMP OCHIGEAS

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

AS AT OCTOBER 31, 2008

	Note	Operating Reserve Fund	Capital Fund	General Fund	Total 2008	Total 2007
ASSETS						
<i>CURRENT</i>						
Cash	4	\$ -	\$ 211,206	\$ 15,721	\$ 226,927	\$ 226,959
Short term investments	5	2,600,000	176,794	40,000	2,816,794	5,113,874
Prepaid expenses and other receivables		-	-	301,832	301,832	151,442
		2,600,000	388,000	357,553	3,345,553	5,492,275
<i>LONG TERM</i>						
Capital assets	6	-	-	8,561,269	8,561,269	5,509,577
Other assets	7	-	-	705,299	705,299	705,299
		-	-	9,266,568	9,266,568	6,214,876
		\$ 2,600,000	\$ 388,000	\$ 9,624,121	\$ 12,612,121	11,707,151
LIABILITIES						
<i>CURRENT</i>						
Accounts payable and accrued liabilities		\$ -	\$ -	\$ 155,903	\$ 155,903	\$ 142,631
NET ASSETS						
Invested in capital assets		-	-	8,561,269	8,561,269	5,509,577
Restricted	8	2,600,000	388,000	-	2,988,000	4,314,469
Unrestricted		-	-	906,949	906,949	1,740,474
		2,600,000	388,000	9,468,218	12,456,218	11,564,520
		\$ 2,600,000	\$ 388,000	\$ 9,624,121	\$ 12,612,121	\$ 11,707,151

APPROVED ON BEHALF OF THE BOARD:

_____ Director _____ Director

CAMP OCHIGEAS

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED OCTOBER 31, 2008

	Note	Capital Fund	General Fund	Total 2008	Total 2007
REVENUE					
General donations and fundraising	8, 10	\$1,009,086	\$ 2,248,330	\$ 3,257,416	\$ 3,007,404
Rental	10	-	57,338	57,338	52,242
Interest earned		-	156,186	156,186	207,671
		1,009,086	2,461,854	3,470,940	3,267,317
EXPENDITURES					
Residential program costs		\$ -	\$ 704,358	\$ 704,358	\$ 645,051
In-City program costs		-	391,780	391,780	175,959
Site repairs and maintenance		-	368,043	368,043	359,645
Fundraising costs	10	-	335,117	335,117	341,344
Administrative, office and general		-	203,533	203,533	185,383
Amortization		-	576,411	576,411	447,454
		-	2,579,242	2,579,242	2,154,836
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES					
		\$1,009,086	\$ (117,388)	\$ 891,698	\$ 1,112,481

CAMP OCHIGEAS

**CONSOLIDATED STATEMENT OF
CHANGES IN NET ASSETS**

YEAR ENDED OCTOBER 31, 2008

	Note	Operating Reserve Fund	Capital Fund	General Fund	Total 2008	Total 2007
Balance, beginning of the year		\$ 2,000,000	\$ 2,314,469	\$ 7,250,051	\$11,564,520	\$ 10,452,039
Excess (deficiency) of revenue over expenditures		-	1,009,086	(117,388)	891,698	1,112,481
Transfer of costs of capital assets	6	-	(3,403,788)	3,403,788	-	-
Interfund transfers	8, 9	600,000	468,233	(1,068,233)	-	-
<i>Balance, end of the year</i>		\$ 2,600,000	\$ 388,000	\$ 9,468,218	\$ 12,456,218	\$ 11,564,520

CAMP OCHIGEAS
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED OCTOBER 31, 2008

	Note	2008	2007
<i>CASH WAS PROVIDED BY (USED IN):</i>			
<i>OPERATING ACTIVITIES</i>			
Excess of revenue over expenditures		\$ 891,698	\$ 1,112,481
Items not affecting cash:			
Amortization of capital assets		576,411	447,454
Gain on disposal of capital assets		-	(500)
Non-cash contributions		-	(496,569)
		1,468,109	1,062,866
Changes in non-cash working capital items relating to operations:			
Prepaid expenses and other receivables		(150,390)	(21,884)
Accounts payable and accrued liabilities		13,272	58,603
		(137,118)	36,719
		1,330,991	1,099,585
<i>FINANCING AND INVESTING ACTIVITIES</i>			
Financing and investing activities:			
Capital improvements	6	(3,403,788)	(465,383)
Acquisition of capital assets	6	(224,315)	(15,372)
Proceeds on disposal of capital assets		-	4,500
		(3,628,103)	(476,255)
<i>INCREASE (DECREASE) IN CASH</i>		(2,297,112)	623,330
Cash and short term investments, beginning of the year		5,340,833	4,717,503
<i>CASH AND SHORT TERM INVESTMENTS, end of the year</i>		\$ 3,043,721	\$ 5,340,833

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

1. *DESCRIPTION OF ORGANIZATION AND INCOME TAX STATUS*

The mission of Camp Oochigeas is to operate camping programs for children affected by childhood cancer which include residential summer camp and off-season residential programming at the campsite in Muskoka, in addition to in-city programs in Toronto.

Camp Oochigeas was incorporated under the Canada Corporations Act on June 14, 1989 as a not for profit corporation without share capital. Camp Oochigeas is a registered charitable organization under the Income Tax Act (Canada) and, as such is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. *SIGNIFICANT ACCOUNTING POLICIES*

The consolidated financial statements of the organization have been prepared in accordance with Canadian generally accepted accounting principles. The following summary of significant accounting policies is set forth to facilitate the understanding of these consolidated financial statements.

Basis of presentation

The consolidated financial statements include the accounts of the organization and its wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated on consolidation.

Fund accounting

The organization follows the restricted fund method of accounting for general donations and fundraising. The organization ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expensed for the purpose for which they are provided.

For financial reporting purposes, the accounts have been classified into the following funds:

(a) General Fund

The General Fund accounts for both the organization's program delivery and administrative activities and restricted contributions for which there is no corresponding restricted fund.

(b) Capital Fund

The Capital Fund includes internally and externally restricted funds to be used for ongoing site development, capital asset purchases and capital improvements. Internally restricted funds are not available for general use without the approval of the Board of Directors (see note 8).

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fund accounting (continued)

(c) Operating Reserve Fund

The purpose of the Operating Reserve Fund is to ensure the ongoing delivery of the camp's programs, in the event that additional revenue becomes unavailable due to unforeseen circumstances. The fund is internally restricted and requires the approval of the Board of Directors for any use.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue in the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably ensured.

Investment income earned on Capital Fund and Operating Reserve Fund resources is recognized as revenue of the General Fund. Other investment income is recognized as revenue of the General Fund when earned.

Donations

Donations are recorded when received or known to be in transit at the fiscal year end. Donations in kind are recorded at their estimated fair value based upon appraisal and other factors pertinent to the donation, only in circumstances where donation receipts have been issued.

Short term investments

Short term investments are classified as held for trading and stated at fair value (see note 5).

Fair values are determined as follows:

Guaranteed Investment Certificates are stated at cost, which together with accrued interest income approximates fair value given the short term nature of these investments.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

2. *SIGNIFICANT ACCOUNTING POLICIES (continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Contributed assets are stated at their estimated fair value at the date of contribution. Amortization is calculated on a straight line basis at the undernoted rates:

Buildings	-	20 years
Furniture and equipment	-	3 to 5 years
Watercraft equipment	-	2 to 6 years
Computer equipment and vehicles	-	3 years
Leasehold improvements	-	term of the lease

Contributed services

The organization would not be able to carry out its administrative activities without the services of volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, the value of contributed services are not recognized in the consolidated financial statements.

Capital Management

The objectives of the Board of Directors in managing capital are to safeguard the organization's ability to maintain its programs and facilities as outlined in budgets and plans approved by the Board. The Board monitors assesses and manages capital and makes adjustments in light of changes in economic conditions. The Board has established several internally restricted funds to achieve these objectives. The organization is only subject to external restrictions on donations in which donors specify programs or areas which their donations are to fund. The organization has complied with these externally imposed requirements.

Use of estimates

The preparation of these consolidated financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates. Estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

2. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

Pledges

Pledges are not recognized in the consolidated financial statements.

3. **FUTURE CHANGES IN ACCOUNTING POLICIES**

The Canadian Accounting Standards Board has issued CICA Handbook Section 4470, Disclosure of Allocated Expenses. Under this new section, organizations that classify expenditures by function will be required to disclose the accounting policy, the nature of the allocated expenses, and the basis on which they are allocated.

These new standards are effective for fiscal years beginning on or after January 1, 2009. Early adoption is permitted. The organization does not expect these new requirements to have a significant impact on its financial statement disclosure.

4. **CASH**

Cash is deposited in accounts with financial institutions which earn interest at the rate of approximately 1.75% per annum (2007 - 3.25%).

5. **SHORT TERM INVESTMENTS**

	2008	2007
Guaranteed Investment Certificates	\$ 2,816,794	\$2,396,311
Bankers' Acceptances and Canada Savings Bonds	-	2,717,563
	\$ 2,816,794	\$5,113,874

Guaranteed Investment Certificates with a Canadian chartered bank bear interest at a rate of approximately 3.15% per annum (2007 -4.25%), and \$40,000 (2007 - \$40,000) has been pledged as security against the organization's merchant Visa account. Short term investments have maturity dates ranging from February to June 2009.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Balance 2008	Balance 2007
Land	\$ 524,500	\$ -	\$ 524,500	\$ 524,500
Buildings	9,237,755	1,689,523	7,548,232	4,600,377
Furniture and equipment	603,741	363,255	240,486	254,010
Watercraft equipment	77,259	63,164	14,095	39,848
Computer equipment	132,267	46,462	85,805	18,898
Computer software	162,641	49,393	113,248	24,656
Leasehold improvements	68,904	34,002	34,902	47,287
Other	1	-	1	1
	\$10,807,068	\$ 2,245,799	\$ 8,561,269	\$ 5,509,577

Prior to November 1, 1995, the organization followed the policy of expensing all capital asset acquisitions in the year the expenditures were incurred. The value of \$1 has been assigned to other capital assets as a nominal value to identify the existence of such property acquired prior to this date.

During the year, the organization developed and acquired capital assets amounting to \$3,628,103 (2007 - \$480,755). These were funded as follows:

	2008	2007
Capital developments, funded from Capital Fund	\$ 3,403,788	\$ 465,383
Acquisition of capital assets, funded from General Fund	224,315	15,372
Total capital assets acquired	\$ 3,628,103	\$ 480,755

7. OTHER ASSETS

Other assets comprise works of art which were donated to the organization in the 2005 and 2007 fiscal years. The carrying value was established at the time of donation and is based upon the donation receipted value. The receipt value was determined as the appraised value adjusted for a discount factor as considered appropriate. Management believes that there has been no impairment of these values as at October 31, 2008.

Irrevocable trusts were created to allow the donor to maintain possession of the works of art during his lifetime or until such time as the works of art are sold. Camp Oochigeas is both the trustee and capital beneficiary of the trusts.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

8. CAPITAL FUND

Effective October 31, 2008 the Board of Directors authorized the transfer of \$468,233 from the General Fund to the Capital Fund for further capital improvements at the site. This amount will be repaid to the General Fund as externally restricted contributions are received for capital projects.

As at October 31, 2008, there are no externally restricted funds in the Capital Fund (2007 - \$114,469). The prior year's balance of externally restricted funds was utilized as follows:

	Balance Nov. 1/07	Contributions	Expenditures	Balance Oct. 31/08
Barn	\$ 58,800	\$ 933,986	\$ 992,786	\$ -
Project Campfire	55,669	75,100	130,769	-
	\$ 114,469	\$ 1,009,086	\$ 1,123,555	\$ -

9. OPERATING RESERVE FUND

Effective October 31, 2008 the Board of Directors authorized the transfer of \$600,000 from the General Fund to the Operating Reserve Fund to increase the Fund balance to a level of \$2,600,000 which approximates the organization's projected annual operating budget.

10. GENERAL DONATIONS, FUNDRAISING AND RENTAL

General donations and fundraising revenue are net of direct event related fundraising costs of \$204,196 (2007 - \$54,344) of which \$133,262 (2007 - \$10,133) relates to the "Summer Dreams" biennial event and \$29,881 (2007 - \$23,239) relates to the annual Sporting Life event.

Rental revenues are net of direct rental costs of \$32,339 (2007 - \$33,650).

11. FINANCIAL INSTRUMENTS

The carrying value of the organization's cash, short term investments, other receivables and accounts payable and accrued liabilities approximate their fair value due to the short term nature of these financial instruments. The fair value of short term investments is stated in note 5.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant credit, currency, or interest rate risk from financial instruments. A one percent change in interest rates would not materially affect the organization's revenue, expenditures, cash flows or financial position.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED OCTOBER 31, 2008

12. RELATED PARTY TRANSACTIONS

The organization has entered into transactions for all of its insurance policies with a company of which a member of the Audit Committee is a director. The total insurance expense in respect of these policies the year is \$114,966 (2007 - \$92,369). Included in prepaid expenses is an amount of \$52,035 (2007 - \$48,444) relating to these policies.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

13. LEASE COMMITMENTS

The organization has operating leases for office space, office equipment and a vehicle for various periods up to the year 2011. Future minimum annual lease payments exclusive of operating costs in each of the next four years are as follows:

2009	\$ 98,774
2010	84,121
2011	6,442
2012	700

14. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to the current year's presentation.
