

CAMP OCHIGEAS

**CONSOLIDATED
FINANCIAL STATEMENTS**

DECEMBER 31, 2012 AND 2011

CONTENTS

AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	2
Consolidated Statements of Operations	3
Consolidated Statements of Changes in Net Assets	4
Consolidated Statements of Cash Flows	5
Notes to the Consolidated Financial Statements	6 - 15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of Camp Oochigeas:

We have audited the accompanying consolidated financial statements of Camp Oochigeas, which comprises the consolidated statements of financial position as at December 31, 2012, December 31, 2011 and November 1, 2011 and the consolidated statements of operations, changes in net assets and cash flows for the year ended December 31, 2012 and the period from November 1, 2011 to December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits 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 consolidated 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 auditor's 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, this organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible of 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 of revenue over expenditures, assets and surplus.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Camp Oochigeas as at December 31, 2012, December 31, 2011 and November 1, 2011, and the results of its operations and its cash flows for the year ended December 31, 2012 and the period from November 1, 2011 to December 31, 2011, in accordance with Canadian accounting standards for not-for-profit organizations.

Shimmerman Penn LLP



Chartered Accountants

Licensed Public Accountants

Toronto, Canada

March 4, 2013

CAMP OCHIGEAS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012, DECEMBER 31, 2011, AND NOVEMBER 1, 2011

	Note	Operating Reserve Fund	Capital Fund	Endowment Fund	General Fund	December 31, Total 2012	December 31, Total 2011	November 1, Total 2011
ASSETS								
<i>CURRENT</i>								
Cash	4	\$ -	\$ 47,728	\$ -	\$ 1,221,811	\$ 1,269,539	\$ 1,177,794	\$ 315,894
Short term investments	5	3,600,000	1,171,272	187,916	-	4,959,188	3,410,179	3,404,124
Prepaid expenses and other receivables		-	-	-	283,253	283,253	320,038	358,408
		3,600,000	1,219,000	187,916	1,505,064	6,511,980	4,908,011	4,078,426
<i>LONG TERM</i>								
Capital assets	6	-	-	-	8,392,835	8,392,835	8,877,628	8,993,434
Other assets	7	-	-	-	1,038,534	1,038,534	1,036,524	1,036,524
		-	-	-	9,431,369	9,431,369	9,914,152	10,029,958
		\$ 3,600,000	\$ 1,219,000	\$ 187,916	\$ 10,936,433	\$ 15,943,349	\$ 14,822,163	\$ 14,108,384
LIABILITIES								
<i>CURRENT</i>								
Accounts payable and accrued liabilities		\$ -	\$ -	\$ -	\$ 217,796	\$ 217,796	\$ 258,588	\$ 193,122
Deferred rent		-	-	-	92,957	92,957	72,585	69,190
		-	-	-	310,753	310,753	331,173	262,312
<i>COMMITMENTS</i>								
	13							
NET ASSETS								
Restricted	10	3,600,000	1,219,000	187,916	-	5,006,916	3,442,720	2,957,884
Unrestricted		-	-	-	10,625,680	10,625,680	11,048,270	10,888,188
		3,600,000	1,219,000	187,916	10,625,680	15,632,596	14,490,990	13,846,072
		\$ 3,600,000	\$ 1,219,000	\$ 187,916	\$ 10,936,433	\$ 15,943,349	\$ 14,822,163	\$ 14,108,384

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

CAMP OCHIGEAS

CONSOLIDATED STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

	Note	Capital Fund	Endowment Fund	General Fund	Total 2012	Period from November 1, 2011 to December 31, 2011	Year ended October 31, 2011
REVENUE							
General donations and fundraising	8 & 9	\$ 130,750	\$ 87,892	\$ 4,958,978	\$ 5,177,620	\$ 1,302,068	\$ 4,485,305
Rental	9	-	-	66,986	66,986	5,753	102,247
Interest earned		-	-	56,564	56,564	6,132	44,084
Gain on sale of capital asset		-	-	33,950	33,950	-	-
		130,750	87,892	5,116,478	5,335,120	1,313,953	4,631,636
EXPENDITURES							
In-City program costs	11	\$ -	\$ -	\$ 1,043,141	\$ 1,043,141	\$ 161,371	\$ 867,455
Residential program costs		-	-	995,041	995,041	124,790	828,297
Site repairs and maintenance		-	-	465,511	465,511	100,398	587,216
Administrative, office and general		-	-	480,779	480,779	52,498	256,025
Fundraising and development expense	9	-	-	391,359	391,359	96,387	481,570
Amortization		-	-	817,683	817,683	133,592	771,340
		-	-	4,193,514	4,193,514	669,036	3,791,903
EXCESS OF REVENUE OVER EXPENDITURES							
		\$ 130,750	\$ 87,892	\$ 922,964	\$ 1,141,606	\$ 644,917	\$ 839,733

See accompanying notes

Page 3 of 15

CAMP OCHIGEAS

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

	Note	Operating Reserve Fund	Capital Fund (note 10)	Endowment Fund	General Fund	December 31, Total 2012	December 31, Total 2011
Balance, beginning of the period		\$ 2,800,000	\$ 542,696	\$ 100,024	\$ 11,048,270	\$ 14,490,990	\$ 13,846,073
Excess of revenue over expenditures	8	-	130,750	87,892	922,964	1,141,606	644,917
Transfer of costs of capital assets	6	-	(316,807)	-	316,807	-	-
Transfers from General Fund	8	800,000	862,361	-	(1,662,361)	-	-
<i>Balance, end of the period</i>		\$ 3,600,000	\$ 1,219,000	\$ 187,916	\$ 10,625,680	\$ 15,632,596	\$ 14,490,990

See accompanying notes

CAMP OCHIGEAS
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012
(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

	Note	December 31, 2012	December 31, 2011	Year ended October 31, 2011
<i>CASH WAS PROVIDED BY (USED IN):</i>				
<i>OPERATING ACTIVITIES</i>				
Excess of revenue over expenditures		\$ 1,141,606	\$ 644,917	\$ 839,733
Items not affecting cash:				
Cash surrender value of life insurance		(2,010)	-	-
Contribution of capital asset		(4,300)	-	-
Deferred rent		20,372	3,395	18,675
Gain on sale of capital asset		(33,950)	3,395	-
Amortization of capital assets		817,683	133,592	771,340
		1,939,401	781,904	1,629,748
Changes in non-cash working capital items relating to operations:				
Prepaid expenses and other receivables		36,785	38,370	(29,518)
Accounts payable and accrued liabilities		(40,792)	65,466	(502,094)
		(4,007)	103,837	(531,612)
		1,935,394	885,740	1,098,136
<i>FINANCING AND INVESTING ACTIVITIES</i>				
Financing and investing activities:				
Capital improvements	6	(998)	(1,369)	(719,313)
Net acquisition of capital assets	6	(293,642)	(16,416)	(197,057)
		(294,640)	(17,785)	(916,370)
<i>INCREASE IN CASH AND SHORT TERM INVESTMENTS</i>				
Cash and short term investments, beginning of the period		4,587,973	3,720,018	3,538,252
<i>CASH AND SHORT TERM INVESTMENTS, end of the period</i>		\$ 6,228,727	\$ 4,587,973	\$ 3,720,018

See accompanying notes

Page 5 of 15

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

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.

In 2011, the organization changed its financial year end from October 31st to December 31st, in order to align its financial reporting with its operational and the budgeting cycles. The current financial statements are for the full year ending December 31, 2012 comparative figures are for the two month period ending December 31, 2011.

2. *SIGNIFICANT ACCOUNTING POLICIES*

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) 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.

(b) Fund accounting

The organization follows the restricted fund method of accounting for general donations and fundraising contributions. 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:

(i) 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.

(ii) Operating Reserve Fund

The purpose of the Operating Reserve Fund is to ensure the ongoing delivery of the organization'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.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(iii) Capital Fund

The Capital Fund consists of internally and externally restricted funds to be used for ongoing in-city and camp site developments, capital asset purchases and capital improvements, and in-city programs. Internally restricted funds are not available for general use without the approval of the Board of Directors (see note 10).

(iv) Endowment Fund

In October 2011 the Endowment Fund was created by the Eby Family. The Endowment Fund consists of externally restricted funds contributed by the Eby family and other individuals that shall be held until October 31, 2021, at which time some or all of the capital in the fund may be further restricted for a term of 10 years.

(c) Revenue recognition

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.

Restricted contributions related to general operations are deferred and 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.

Restricted contributions where the donor requires that the principal be maintained for a long term period are recognized as revenue in the Endowment Fund in the year they are received.

Rental income for facilities is recognized in accordance with the terms of the agreements.

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

(d) 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.

(e) 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. The organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Buildings	-	20 years
Furniture and equipment	-	5 years
Computer equipment and software	-	3 years
Trailer	-	3 years
Watercraft	-	3 years
Vehicles	-	5 years
Leasehold improvements	-	term of the lease

(f) Impairment of long-lived assets

The organization tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

(g) Financial instruments

(i) Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for derivative and equity instruments of private companies for which there is no quoted market price in an active market. These financial instruments are subsequently measured at the initial fair value less any reduction for impairment.

Financial assets measured at amortized cost include cash and other receivables

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include short term investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

2. *SIGNIFICANT ACCOUNTING POLICIES* (continued)

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets of group of assets;
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(h) 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.

(i) Allocation of expenses

The organization engages in residential programming, in-city programming, fundraising, site repairs and maintenance and administrative functions. The organization allocates salaries and benefits based on efforts. Office rental and communication expenses are allocated on the same basis as head office salaries. Other costs, such as office supplies, computer maintenance, staff training and development and travel expenses are allocated based on usage.

(j) Use of estimates

The preparation of these consolidated financial statements, in conformity with Canadian accounting standards for not-for-profit organizations, 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. Item requiring the use of significant estimates include the useful lives of capital assets.

(k) Pledges

Pledges are not recognized in the consolidated financial statements.

(l) Cash surrender value of life insurance

Life insurance policies are recorded at their realizable value less applicable surrender charges.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

3. *ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS*

These financial statements were prepared in accordance with Part III of the CICA Handbook - Accounting ("Part III").

The Camp Oochigeas' first reporting period using Part III is for the year ended December 31, 2012. As a result, the date of transition to Part III is November 1, 2011. Camp Oochigeas presented financial statements under its previous Canadian generally accepted accounting principles ("CGAAP") up to and including December 31, 2011.

As these financial statements are the first financial statements for which the Camp Oochigeas has applied Part III, the financial statements have been prepared in accordance with the provisions set out in Section 1501 of Part III, First-time Adoption by Not-for-Profit Organizations.

Camp Oochigeas is required to apply Part III effective for periods ending on December 31, 2012 in:

- a) preparing and presenting its opening statement of financial position at November 1, 2011; and
- b) preparing and presenting its statement of financial position for December 31, 2012 (including comparative amounts for 2011), statement of operations, statement of changes in net assets, and statement of cash flows for the year ended December 31, 2012 (including comparative amounts for the period from November 1, 2011 to December 31, 2011) and disclosures (including comparative information for 2011).

Section 1501 provides organizations with certain exemptions to the principle that an organization's opening statement of financial position shall comply with Part III. Camp Oochigeas did not apply any of these exemptions.

The impact of adopting these standards has not resulted in any material changes to the opening financial statements for the current or previous fiscal period.

4. *CASH*

Cash is deposited in accounts with financial institutions which earn interest at the rates ranging from 0.0% to 0.5% per annum.

5. *SHORT TERM INVESTMENTS*

All funds are invested in redeemable Guaranteed Investment Certificates maturing within the next 12 months which are deposited with two Canadian chartered banks and bear interest at rates ranging from 1.05% to 1.25% per annum.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

6. CAPITAL ASSETS

	Cost	Accumulated Amortization	December 31, 2012	Balance	
				December 31, 2011	November 1, 2011
Land	\$ 524,500	\$ -	\$ 524,500	\$ 524,500	\$ 524,500
Buildings	10,167,651	3,745,828	6,421,823	6,918,681	6,990,506
Furniture and equipment	859,048	656,172	202,876	219,948	232,715
Computer equipment	263,234	181,283	81,951	25,712	24,568
Computer software	316,387	257,220	59,167	35,908	44,659
Leasehold improvements	1,235,282	277,862	957,420	1,086,902	1,107,255
Trailer	10,461	1,743	8,718	-	-
Watercraft	107,913	17,986	89,927	-	-
Vehicles	97,616	51,164	46,452	65,976	69,230
Other	1	-	1	1	1
	\$ 13,582,093	\$ 5,189,258	\$ 8,392,835	\$ 8,877,628	\$ 8,993,434

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 received a donation of a Watercraft with a fair value of \$4,300. No capital assets were donated during the period ended December 31, 2011. For the October 31, 2011 year end a piano with a fair market value of \$12,000 was donated to the organization.

During the year the organization purchased and developed capital assets amounting to \$327,310 (December 31, 2011 - \$17,785, November 1, 2011 - \$916,370). These were funded as follows:

	December 31, 2012	December 31, 2011	October 31, 2011
Capital developments, funded from Capital Fund	\$ 316,807	\$ 17,785	\$ 446,448
Capital developments and purchase of capital assets, funded from General Fund	10,503	-	469,922
Total capital assets acquired	\$ 327,310	\$ 17,785	\$ 916,370

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

7. OTHER ASSETS

Other assets comprise of insurance policy donated to the organization and works of art which were donated to the organization in the 2005, 2007 and 2010 fiscal years. The carrying values are established at the time of donation and are based upon the donation receipted value. The receipt value was determined as the appraised value adjusted for a discount factor where considered appropriate. Management believes that there has been no impairment of these values as at December 31, 2012.

During the period the organization did not receive any further contributions of artwork.

Artwork was placed in irrevocable trusts 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. The total value of artwork held in irrevocable trusts at December 31, 2012 is \$1,011,524. The remaining artwork valued at \$25,000 is not subject to restrictions.

During the year, in addition to the artwork, other assets includes a donated insurance policy with a cash surrender value of \$2,010. The organization is the owner and sole beneficiary of the policy which has an insured value of \$84,288. The life insurance premiums are paid by the donor.

8. INTERFUND TRANSFERS

(a)	Capital Fund	Endowment	Total
Restricted donations received	\$ 510,107	\$ 87,892	\$ 597,999
In-City Programming	(379,357)	-	(379,357)
	\$ 130,750	\$ 87,892	\$ 218,642

During the year the organization received externally restricted contributions totaling \$579,999, of which an amount of \$510,107 was contributed to the Capital Fund and an amount of \$87,892 was contributed to the Endowment Fund. An amount of \$379,357 was directed to the General Fund to fund in-city programs.

- (b) An amount of \$316,807 was directed from the Capital Fund to the General Fund to fund capital improvements.
- (c) At year end, the Board of Directors approved the transfer of \$62,361 to the Capital Fund to fund capital developments for the next fiscal year and \$800,000 to the Capital Reserve Fund to ensure the ongoing preservation and maintenance of the camp buildings and systems, in the event that additional revenue becomes unavailable due to unforeseen circumstances.
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CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

9. GENERAL DONATIONS, FUNDRAISING AND RENTAL

General donations and fundraising revenue are net of direct event related fundraising costs of \$293,752 (2011 - \$21,944) of which \$135,211 (2011 - \$2,753) relates to the “Summer Dreams” biennial event and \$72,535 (2011 - \$1,759) relates to the annual Sporting Life 10K event.

Included in general donations is an amount of \$74,214 (2011- \$2,481) received for donations in kind.

Rental revenues are net of direct rental costs of \$118,061 (2011 - \$532).

10. CAPITAL FUND

The Capital Fund is comprised of the following:

	Note	Internally Restricted	Externally Restricted	December 31, Total 2012	December 31, Total 2011	November 1, Total 2011
Balance, beginning of the year		\$ 492,696	\$ 50,000	\$ 542,696	\$ 60,000	\$ 110,698
Excess of revenue over expenditures	8	-	130,750	130,750	51,369	335,750
Transfer of costs of capital assets	8	(159,482)	(157,325)	(316,807)	(17,785)	(446,448)
Transfers from General Fund	8	862,361	-	862,361	449,112	60,000
Balance, end of the year		\$ 1,195,575	\$ 23,425	\$ 1,219,000	\$ 542,696	\$ 60,000

11. ALLOCATION OF EXPENSES

(a) Salaries and benefits expenses of \$1,877,257 (2011 - \$278,032) have been allocated as follows:

	December 31, 2012	December 31, 2011
Residential programs	\$ 464,201	\$ 64,622
In-City programs	522,265	78,528
Site repairs and maintenance	228,259	23,163
Fundraising costs	315,813	65,131
Administrative, office and general	314,457	25,722
Capital developments	-	20,866
Rental	32,262	-
Total	\$ 1,877,257	\$ 278,032

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

11. ALLOCATION OF EXPENSES *(continued)*

- b) Other expenses (including occupancy and communication costs, office supplies, computer maintenance and staff training and development costs) of \$807,444 (2011 - \$142,180) have been allocated as follows:

	December 31, 2012	December 31, 2011
Residential programs	\$ 136,975	\$ 30,662
In-City programs	414,899	63,253
Rental	7,254	-
Site repairs and maintenance	18,740	7,286
Fundraising costs	75,546	31,256
Administrative, office and general	154,030	9,723
Total	\$ 807,444	\$ 142,180

12. 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. Market risk is comprised of interest rate risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The exposure of Camp Oochigeas to interest rate risk arises from its interest bearing assets.

The organization's cash includes amounts on deposit with financial institutions that earn interest at market rates. Camp Oochigeas manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the organization's results of operations.

CAMP OCHIGEAS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

(COMPARATIVE FOR THE PERIOD FROM NOVEMBER 1, 2011 TO DECEMBER 31, 2011)

13. COMMITMENTS

- (a) The organization has operating leases for office space and office equipment for various periods up to the year 2020. Future minimum annual lease payments exclusive of operating costs are approximately as follows:

2013	\$ 284,000
2014	303,000
2015	296,000
2016	300,000
2017	320,000
Subsequent years	907,000
	<hr/>
	\$ 2,410,000
