

**WINDSOR ENDOWMENT FOR THE
ARTS**

**REVIEW ENGAGEMENT REPORT AND
FINANCIAL STATEMENTS**

JUNE 30, 2009

REVIEW ENGAGEMENT REPORT

To the President of
Windsor Endowment for the Arts

We have reviewed the statement of financial position of Windsor Endowment for the Arts as at June 30, 2009 and the statements of operations and changes in fund balances for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

In common with many not-for-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory review analysis. Accordingly, our analysis 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 donations, fundraising revenue, revenue over expenses, and net assets.

Except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenue referred to in the preceding paragraph, based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Collins Barrow Windsor LLP

October 15, 2009

WINDSOR ENDOWMENT FOR THE ARTS

FINANCIAL STATEMENTS

(Unaudited)

JUNE 30, 2009

Statement of operations	1
Statement of changes in fund balances	2
Statement of financial position	3
Notes to financial statements	4 - 10

WINDSOR ENDOWMENT FOR THE ARTS**STATEMENT OF OPERATIONS**

(Unaudited)

YEAR ENDED JUNE 30, 2009

	General Fund	Restricted Funds	Endowment Funds	2009	2008
REVENUE					
Memberships	\$ 650	\$ -	\$ -	\$ 650	\$ 650
Donations	317	-	-	317	220,425
Dividend income	-	-	971	971	-
Fundraising	-	150	-	150	10,164
Grants - Trillium	25,000	-	-	25,000	-
Interest	87	918	7,830	8,835	3,830
Unrealized gain (loss) on investment	-	-	4,762	4,762	-
Gain (loss) on investment	-	-	(92)	(92)	-
	<u>26,054</u>	<u>1,068</u>	<u>13,471</u>	<u>40,593</u>	<u>235,069</u>
EXPENSES					
Advertising	-	-	-	-	29
Awards	-	1,503	-	1,503	3,905
Consulting fees	-	-	-	-	350
GST	705	-	-	705	-
Insurance	1,252	-	-	1,252	1,186
Investment fees	-	-	440	440	-
Meetings	1,206	-	-	1,206	15
Membership dues	50	-	-	50	95
Office supplies	369	-	-	369	675
Professional fees	4,210	-	-	4,210	2,340
Administration	1,426	-	-	1,426	-
Board development	3,030	-	-	3,030	-
Development consultant	19,048	-	-	19,048	-
Rental	480	-	-	480	-
	<u>31,776</u>	<u>1,503</u>	<u>440</u>	<u>33,719</u>	<u>8,595</u>
REVENUE OVER (UNDER) EXPENSES	<u>\$ (5,722)</u>	<u>\$ (435)</u>	<u>\$ 13,031</u>	<u>\$ 6,874</u>	<u>\$ 226,474</u>

WINDSOR ENDOWMENT FOR THE ARTS

STATEMENT OF CHANGES IN FUND BALANCES

(Unaudited)

YEAR ENDED JUNE 30, 2009

	General Fund	Restricted Funds	Endowment Funds	2009	2008
BALANCE, BEGINNING	\$ 17,946	\$ 20,863	\$ 222,832	\$ 261,641	\$ 35,167
REVENUE OVER (UNDER) EXPENSES	<u>(5,722)</u>	<u>(435)</u>	<u>13,031</u>	<u>6,874</u>	<u>226,474</u>
BALANCE, ENDING	<u>\$ 12,224</u>	<u>\$ 20,428</u>	<u>\$ 235,863</u>	<u>\$ 268,515</u>	<u>\$ 261,641</u>

WINDSOR ENDOWMENT FOR THE ARTS

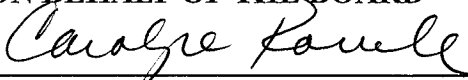
STATEMENT OF FINANCIAL POSITION

(Unaudited)

JUNE 30, 2009

	General Fund	Restricted Funds	Endowment Funds	2009	2008
ASSETS					
CURRENT ASSETS					
Cash	\$ 21,894	\$ -	\$ -	\$ 21,894	\$ 18,851
Accounts receivable	2,166	918	365	3,449	4,208
Prepaid expenses	631	-	-	631	621
Due from (to) funds	<u>(8,233)</u>	<u>(1,587)</u>	<u>9,820</u>	<u>-</u>	<u>-</u>
	16,458	(669)	10,185	25,974	23,680
INVESTMENTS (note 5)	<u>-</u>	<u>21,097</u>	<u>225,678</u>	<u>246,775</u>	<u>239,500</u>
	<u>\$ 16,458</u>	<u>\$ 20,428</u>	<u>\$ 235,863</u>	<u>\$ 272,749</u>	<u>\$ 263,180</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	<u>\$ 4,234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,234</u>	<u>\$ 1,539</u>
FUND BALANCES					
Externally restricted	-	20,428	-	20,428	20,863
Internally restricted	-	-	235,863	235,863	222,832
Unrestricted	<u>12,224</u>	<u>-</u>	<u>-</u>	<u>12,224</u>	<u>17,946</u>
	<u>12,224</u>	<u>20,428</u>	<u>235,863</u>	<u>268,515</u>	<u>261,641</u>
	<u>\$ 16,458</u>	<u>\$ 20,428</u>	<u>\$ 235,863</u>	<u>\$ 272,749</u>	<u>\$ 263,180</u>

ON BEHALF OF THE BOARD



Director



Director

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

1. NATURE OF ACTIVITIES

The organization, incorporated without share capital under the laws of Ontario, fosters, develops, supports and champions a vibrant, dynamic arts community in Windsor/Essex County and Chatham/Kent County through services and grants.

In partnership with artists, organizations and residents of the community, Windsor Endowment for the Arts is dedicated to the advancement of education and the development of the public's understanding of and appreciation of existing, evolving and future art forms.

The organization is a registered charity and is exempt from income tax under section 149(1)(f) of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT

In accordance with the common practice of small not-for-profit organizations, equipment is expensed in the year of purchase and amortization is not recorded in the records.

REVENUE RECOGNITION

The organization follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Unrestricted contributions and revenues are recognized as revenue of the appropriate fund when received or receivable, when the amount can be reasonably estimated and collection is reasonably assured.

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES - continued

CONTRIBUTED GOODS AND SERVICES

Contributed goods are recognized when the fair value is determinable and the goods would have been purchased under normal operations. Because of the difficulty of determining their fair value, contributed volunteer services are not recognized in the financial statements.

USE OF ACCOUNTING ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

FUND ACCOUNTING***General Fund***

The general fund accounts for the organization's current operating activities including memberships and programs.

Restricted Funds

These funds are externally restricted for the purpose of raising funds for awards and scholarships. They include the Michael J. Farrell Fund for education, and the Alistair MacLeod Fund for writing and a general awards fund. Interest on restricted funds is reinvested into that fund and available to fund awards and scholarships.

Endowment Funds

These funds are internally restricted funds, the purpose of which is to create an endowment that will sustain funding of the organization's activities. They comprise enduring property, donations and fundraising revenue not required for operations, awards and scholarships, and any other surplus funds designated by the board. Interest on endowment funds is reinvested into that fund until the Board determines an appropriate use.

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

2. SIGNIFICANT ACCOUNTING POLICIES - continued

FINANCIAL INSTRUMENTS - RECOGNITION AND MEASUREMENT

The organization classifies all financial instruments as either held to maturity, available for sale, held for trading, loans and receivables, or other financial liabilities. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available for sale instruments are measured at fair value with unrealized gains and losses recognized in the statement of changes in fund balances. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations.

The organization designated its cash and investments as held for trading, which are measured at fair value. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

3. NEW ACCOUNTING POLICIES

CAPITAL DISCLOSURES

Effective July 1, 2008, the organization adopted the recommendations of CICA Handbook Section 1535, Capital Disclosures. This section establishes standards for disclosing information about an organization's capital and how it is managed. It describes the disclosure requirements of the organization objectives, policies and processes for managing capital, the quantitative data relating to what the organization regards as capital, disclosures for externally imposed capital requirements, whether the entity has complied with those requirements, and if it has not complied, the consequences of such non-compliance. The organization has included disclosure recommendations by this new Handbook section in note 6.

GOING CONCERN

Effective July 1, 2008, the company adopted the recommendations of CICA Handbook Section 1400, General Standards of Financial Statement Presentation, to change the guidance related to management's responsibility to assess the ability of the entity to continue as a going concern. Management is required to make an assessment of an entity's ability to continue as a going concern and should take into account all available information about the future, which is at least, but not limited to, 12 months from the balance sheet date. Disclosure is required of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Adoption of this standard had no impact on the Company's financial statements.

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

4. FUTURE ACCOUNTING PRONOUNCEMENTS

ALLOCATED EXPENSES

As of July 1, 2009, the organization will be required to adopt CICA Handbook *Section 4470, Disclosure of Allocated Expenses by Not-for-Profit Organizations*. This standard establishes disclosure standards for not-for-profit organizations that classify their expenses by function and allocate these expenses to a number of functions to which the expenses relate. When allocations of fundraising and general support expenses have been made to other functions, the organization will be required to disclose an explanation of the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated and the basis on which such allocations have been made. The organization must also disclose the amount allocated from each of these two functions, and the amounts and the functions to which they have been allocated. The organization has not yet assessed the impact of this new standard on its financial statements.

WINDSOR ENDOWMENT FOR THE ARTS

NOTES TO FINANCIAL STATEMENTS

(Unaudited)

JUNE 30, 2009

5. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

	Fair Value	Carrying Value
Investments comprise 4% cash and equivalents, 85% fixed income Canadian medium and long term instruments, and 11% Canadian common shares and equivalent equities	\$ 217,275	\$ 212,513
Short term investments consist of GICs held with CIBC maturing June 28, 2010, with an annual interest rate of 4.35%.	29,500	29,500

Fair value estimates are made as of a specific point in time, using available information about the instrument. These estimates are subjective in nature and often cannot be determined with precision.

The organization has determined that the carrying value of cash, short-term deposits, accounts receivable, accounts payable and accrued liabilities approximate their fair value at the balance sheet date because of the short term maturity of those instruments. The fair value of the marketable securities are based on published prices at the balance sheet date.

The organization is exposed to financial and market risk that arises from fluctuations in interest rates and market conditions and the degree of volatility of these rates and conditions. The organization does not use derivative instruments to reduce its exposure to interest rate or market risk.

WINDSOR ENDOWMENT FOR THE ARTS**NOTES TO FINANCIAL STATEMENTS**

(Unaudited)

JUNE 30, 2009

6. CAPITAL MANAGEMENT

The organization's capital consists of cash and equivalents and investments. Its policy is to invest in relatively low risk and conservative investments consistent with an investment policy approved by the board. The organization's primary objective in managing capital is to maintain sufficient cash flow to fund the organization's operations, awards and scholarships and to build an endowment fund. The organization has adopted fund accounting policies in order to disclose its intentions with regard to these sources of capital.

The organization must meet disbursement quotas for donations in accordance with income tax regulations for charitable organizations and is in compliance with these quotas.

7. COMPARATIVE FIGURES

The comparative figures were reported upon by another public accounting firm. The presentation of certain accounts of the previous year has been changed to conform with the presentation adopted for the current year.

8. REMUNERATION OF DIRECTORS AND OFFICERS

The organization is managed entirely through the voluntary services of its board. No remuneration was paid to Directors and Officers during the year. The fair value of donated services is not readily determinable.

9. STATEMENT OF CASH FLOWS

A statement of cash flow has not been included as the required cash flow information is readily apparent from the other financial statements.