

CAMP KAWARTHA INCORPORATED
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Camp Kawartha Incorporated

Report on the Financial Statements

We have audited the accompanying financial statements of Camp Kawartha Incorporated, which comprise the statements of financial position as at September 30, 2013, September 30, 2012 and October 1, 2011 and the statements of changes in fund balances, operations and cash flows for the years ended September 30, 2013 and 2012, 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 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 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 in our audits 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 Kawartha Incorporated as at September 30, 2013, September 30, 2012 and October 1, 2011, and the results of its operations and its cash flows for the years ended September 30, 2013 and 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

McColl Turner LLP

Licensed Public Accountants

Peterborough, Ontario
December 10, 2013

CAMP KAWARTHA INCORPORATED**STATEMENTS OF FINANCIAL POSITION**

As at September 30, 2013, September 30, 2012 and October 1, 2011

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	September 30 2013 \$	September 30 2012 \$	October 1 2011 \$
ASSETS							
Current							
Cash and investments	25,740	-	100,000	101,912	227,652	335,239	200,666
Accounts receivable	66,018	-	-	-	66,018	65,930	72,824
Inventory	9,839	-	-	-	9,839	13,630	15,666
Prepaid expenses	38,148	-	-	-	38,148	44,257	53,951
	139,745	-	100,000	101,912	341,657	459,056	343,107
Capital - Note 4	-	1,203,466	-		1,203,466	1,082,322	1,029,886
Total Assets	139,745	1,203,466	100,000	101,912	1,545,123	1,541,378	1,372,993
LIABILITIES AND FUND BALANCES							
Current Liabilities							
Loan payable - Note 6	-	10,000	-	-	10,000	10,000	10,000
Accounts payable	79,737	-	-	-	79,737	80,873	86,222
Deferred revenue	40,934	-	-	-	40,934	19,300	35,212
	120,671	10,000	-	-	130,671	110,173	131,434
Long-Term Liabilities							
Deferred contributions related to capital assets	-	516,294	-	-	516,294	518,363	499,238
	120,671	526,294	-	-	646,965	628,536	630,672
Fund Balances	19,074	677,172	100,000	101,912	898,158	912,842	742,321
Total Liabilities and Fund Balances	139,745	1,203,466	100,000	101,912	1,545,123	1,541,378	1,372,993

The accompanying notes are an integral part of the financial statements.

CAMP KAWARTHA INCORPORATED
STATEMENTS OF CHANGES IN FUND BALANCES
For The Year Ended September 30, 2013 and 2012

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	2013 \$	2012 \$
Balance, beginning of year	156,971	553,959	100,000	101,912	912,842	742,321
Excess (deficiency) of revenue over expenditures for the year	32,132	(51,398)	3,396	1,186	(14,684)	68,609
Bequest received during the year	-	-	-	-	-	101,912
Inter-fund transfer	(170,029)	174,611	(3,396)	(1,186)	-	-
Balance, end of year	19,074	677,172	100,000	101,912	898,158	912,842

The accompanying notes are an integral part of the financial statements.

CAMP KAWARTHA INCORPORATED**STATEMENTS OF OPERATIONS**

For The Year Ended September 30, 2013 and 2012

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	2013 \$	2012 \$
Revenue						
Summer camp fees	807,477	-	-	-	807,477	789,718
Outdoor education fees	248,186	-	-	-	248,186	363,168
Rental fees	117,948	-	-	-	117,948	115,884
Grants	69,592	-	-	-	69,592	55,089
Tuck shop	2,968	-	-	-	2,968	2,729
Interest	-	-	3,396	1,186	4,582	5,030
Fundraising - net - Note 7	73,687	-	-	-	73,687	75,622
Amortization of deferred contributions related to capital assets	-	34,903	-	-	34,903	33,302
Total Revenue	1,319,858	34,903	3,396	1,186	1,359,343	1,440,542
Expenditures						
Accounting	33,692	-	-	-	33,692	34,541
Advertising and promotion	18,057	-	-	-	18,057	23,136
Amortization of capital assets	-	86,301	-	-	86,301	73,422
Food	141,939	-	-	-	141,939	143,891
Insurance	44,934	-	-	-	44,934	48,494
Interest and bank charges	24,518	-	-	-	24,518	24,055
Maintenance and supplies	92,218	-	-	-	92,218	95,696
Medical supplies	1,633	-	-	-	1,633	2,286
Memberships and conferences	10,119	-	-	-	10,119	9,059
Office	20,161	-	-	-	20,161	21,938
Program supplies	52,611	-	-	-	52,611	40,994
Professional fees	4,850	-	-	-	4,850	4,800
Salaries and benefits	742,952	-	-	-	742,952	754,993
Sundry	3,800	-	-	-	3,800	6,988
Taxes - municipal	12,358	-	-	-	12,358	14,605
Vehicle and travel	32,641	-	-	-	32,641	23,412
Utilities	51,243	-	-	-	51,243	49,623
Total Expenditures	1,287,726	86,301	-	-	1,374,027	1,371,933
Excess (Deficiency) of Revenue Over Expenditures For The Year	32,132	(51,398)	3,396	1,186	(14,684)	68,609

The accompanying notes are an integral part of the financial statements.

CAMP KAWARTHA INCORPORATED
STATEMENTS OF CASH FLOWS

For The Year Ended September 30, 2013 and 2012

	2013 \$	2012 \$
<hr/>		
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess (deficiency) of revenue over expenditures for the year	(14,684)	68,609
Amortization of capital assets	86,301	73,422
Amortization of deferred contributions related to capital assets	(34,903)	(33,302)
Changes in non-cash working capital accounts		
Accounts receivable	(88)	6,894
Inventory	3,791	2,036
Prepaid expenses	6,109	9,694
Accounts payable	(1,136)	(5,350)
Deferred revenue	21,634	(15,912)
	<hr/>	<hr/>
	67,024	106,091
	<hr/>	<hr/>
Financing Activities		
Proceeds of deferred contributions related to capital assets	32,834	52,427
Bequest received during the year	-	101,912
	<hr/>	<hr/>
	32,834	154,339
	<hr/>	<hr/>
Investing Activities		
Purchase of capital assets	(207,445)	(125,857)
	<hr/>	<hr/>
Increase In Cash For The Year	(107,587)	134,573
Cash, Beginning of Year	335,239	200,666
	<hr/>	<hr/>
Cash, End of Year	227,652	335,239
	<hr/>	<hr/>
Represented By:		
Cash	125,740	133,327
Investments	101,912	201,912
	<hr/>	<hr/>
	227,652	335,239
	<hr/>	<hr/>

The accompanying notes are an integral part of the financial statements.

CAMP KAWARTHA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2013 and 2012

NOTE 1: NATURE OF ENTITY

The organization is incorporated without share capital under the laws of Ontario as a non-profit. It provides a centre for recreational, social and educational experiences for the children of Peterborough and the surrounding community.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are classified as follows:

- (i) Operating fund - includes results of day-to-day administrative and operating activities.
- (ii) Baker Bequest fund - includes contributions for special purposes which are internally restricted.
- (iii) Pugsley Bequest fund - includes contributions for special purposes which are internally restricted.
- (iv) Capital Asset fund - includes the investment in capital assets.

Realization of Revenues and Expenses

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions for the purchase of capital assets are deferred and amortized to revenue on a straight-line basis at a rate corresponding to the amortization of the related capital assets.

Inventory

Inventory is stated at the lower of cost, determined on a first-in, first-out basis and net realizable value.

Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for buildings is 25 years, computers and vehicles is 3 years, docks is 20 years and equipment and furnishings is 10 years.

Income Taxes

The organization qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts, and, as such, is not subject to Federal and Provincial income taxes.

Donated Services

The Board of Directors, officers, committee members and alumni provide services to the organization on a voluntary basis. Donated services are not recognized because of the difficulty in determining their fair value.

CAMP KAWARTHA INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS**

For The Year Ended September 30, 2013 and 2012

NOTE 3: FINANCIAL ASSETS AND FINANCIAL LIABILITIES**(a) Measurement**

The organization's financial instruments consist of cash and investments, accounts receivable, bank indebtedness, loan payable and accounts payable. Investments are stated at fair value. All other financial instruments are stated at cost or amortized cost.

(b) Liquidity Risk

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the organization's cash requirements. Additional cash requirements are met with the use of the bank overdraft as described in note 5.

(c) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Accounts receivable are non-interest bearing and are generally due in 30 days. The organization has not provided an allowance for doubtful accounts in respect of potential uncollectible customer accounts.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization's bank indebtedness is subject to interest at bank prime plus 1% as described in note 5. Consequently, the organization is exposed to fluctuations in future cash flows with respect to this instrument. The organization's loan balance is non-interest bearing as described in note 6. Consequently, the organization is not exposed to fluctuations in future cash flows with respect to this instrument.

Use of Accounting Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenditures during the reporting periods. Actual results could differ from those estimates.

NOTE 4: CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	September 30 2013 \$	September 30 2012 \$	October 1 2011
Land	160,157	-	160,157	160,157	160,157
Buildings	1,411,511	541,439	870,072	760,375	717,821
Computers	26,000	23,774	2,226	-	-
Equipment and furnishings	477,235	337,169	140,066	125,440	117,951
Docks	57,482	27,335	30,147	33,021	30,488
Vehicles	51,271	50,473	798	3,329	3,469
	2,183,656	980,190	1,203,466	1,082,322	1,029,886

CAMP KAWARTHA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2013 and 2012

NOTE 5: BANK INDEBTEDNESS

The organization has a bank overdraft limit of \$40,000. Advances on the bank overdraft bear interest at prime plus 1%, are repayable on demand and are secured by the undischarged mortgage of the property.

NOTE 6: LOAN PAYABLE

The loan payable, which has no set terms of repayment, consists of an unsecured loan from a member of the Board of Directors for \$10,000 which is non-interest bearing.

NOTE 7: FUNDRAISING

The fundraising income of \$73,687 (2012 - \$75,622) is shown net of fundraising expenses of \$34,149 (2012 - \$49,284). The organization's major fundraising activities are the annual Surf n'Turf which had gross revenue of \$83,029 (2012 - \$94,177) and the Green in Motion Bike A-Thon which had gross revenue of \$9,473 (2012 - \$13,504).

NOTE 8: ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

Effective October 1, 2012, the organization elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations according to the Canadian Accounting Standards for not-for-profit organizations (ASNPO).

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies have been applied in preparing the financial statements for the year ended September 30, 2013, the comparative information for the year ended September 30, 2012 and in the preparation of an opening statement of financial position as at October 1, 2011, which is the organizations date of transition.

The organization previously issued financial statements for the year ended September 30, 2012 using generally accepted accounting principles prescribed by part V of the CICA Handbook.

The adoption of ASNPO has had no impact on the previously reported assets, liabilities and fund balances of the organization, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of changes in fund balances, statement of operations and statement of cash flows. Certain of the organizations presentations and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.