

CAMP KAWARTHA INCORPORATED
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

CAMP KAWARTHA INCORPORATED
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 7



McCOLL TURNER LLP
CHARTERED ACCOUNTANTS

362 Queen Street
Peterborough, ON
K9H 3J6

P: 705.743.5020
F: 705.743.5081
E: info@mccollturner.com
www.mccollturner.com

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 statement of financial position as at September 30, 2014 and the statements of changes in fund balances, operations 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 Kawartha Incorporated as at September 30, 2014, 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.

McColl Turner LLP

Licensed Public Accountants

Peterborough, Ontario
December 11, 2014

CAMP KAWARTHA INCORPORATED**STATEMENT OF FINANCIAL POSITION**

As at September 30, 2014

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	Total 2014 \$	Total 2013 \$
ASSETS						
Current						
Cash and investments	101,787	-	100,000	101,912	303,699	227,652
Accounts receivable - Note 8	76,853	-	-	-	76,853	66,018
Inventory	13,385	-	-	-	13,385	9,839
Prepaid expenses	43,023	-	-	-	43,023	38,148
	235,048	-	100,000	101,912	436,960	341,657
Capital - Note 4	-	1,231,759	-	-	1,231,759	1,203,466
Total Assets	235,048	1,231,759	100,000	101,912	1,668,719	1,545,123
LIABILITIES AND FUND BALANCES						
Current Liabilities						
Loan payable - Note 6	-	10,000	-	-	10,000	10,000
Accounts payable - Note 8	106,162	-	-	-	106,162	79,737
Deferred revenue	67,881	-	-	-	67,881	40,934
	174,043	10,000	-	-	184,043	130,671
Long-Term Liabilities						
Deferred contributions related to capital assets	-	518,033	-	-	518,033	516,294
	174,043	528,033	-	-	702,076	646,965
Fund Balances	61,005	703,726	100,000	101,912	966,643	898,158
Total Liabilities and Fund Balances	235,048	1,231,759	100,000	101,912	1,668,719	1,545,123

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

CAMP KAWARTHA INCORPORATED
STATEMENT OF CHANGES IN FUND BALANCES
For The Year Ended September 30, 2014

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	Total 2014 \$	Total 2013 \$
Balance, beginning of year	19,074	677,172	100,000	101,912	898,158	912,842
Excess (deficiency) of revenue over expenditures for the year	122,614	(57,498)	1,168	2,201	68,485	(14,684)
Bequest received during the year	-	-	-	-	-	-
Inter-fund transfer	(80,683)	84,052	(1,168)	(2,201)	-	-
Balance, end of year	61,005	703,726	100,000	101,912	966,643	898,158

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

CAMP KAWARTHA INCORPORATED**STATEMENT OF OPERATIONS**
For The Year Ended September 30, 2014

	Operating Fund \$	Capital Asset Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	Total 2014 \$	Total 2013 \$
Revenue						
Summer camp fees	868,752	-	-	-	868,752	807,477
Outdoor education fees	423,588	-	-	-	423,588	248,186
Rental fees	146,869	-	-	-	146,869	117,948
Grants	103,593	-	-	-	103,593	69,592
Tuck shop	2,964	-	-	-	2,964	2,968
Interest and other	953	-	1,168	2,201	4,322	4,582
Fundraising - net - Note 7	61,914	-	-	-	61,914	73,687
Gain on sale of automotive equipment	-	3,500	-	-	3,500	-
Amortization of deferred contributions related to capital assets	-	37,187	-	-	37,187	34,903
Total Revenue	1,608,633	40,687	1,168	2,201	1,652,689	1,359,343
Expenditures						
Accounting	31,600	-	-	-	31,600	33,692
Advertising and promotion	17,873	-	-	-	17,873	18,057
Amortization of capital assets	-	98,185	-	-	98,185	86,301
Food	160,569	-	-	-	160,569	141,939
Insurance	45,455	-	-	-	45,455	44,934
Interest and bank charges	27,097	-	-	-	27,097	24,518
Maintenance and supplies	99,800	-	-	-	99,800	92,218
Medical supplies	1,371	-	-	-	1,371	1,633
Memberships and conferences	8,100	-	-	-	8,100	10,119
Office and general	21,736	-	-	-	21,736	20,161
Program supplies	51,737	-	-	-	51,737	52,611
Professional fees	6,000	-	-	-	6,000	4,850
Salaries and benefits	907,138	-	-	-	907,138	742,952
Sundry	3,592	-	-	-	3,592	3,800
Taxes - municipal	11,632	-	-	-	11,632	12,358
Vehicle and travel	22,166	-	-	-	22,166	32,641
Utilities	70,153	-	-	-	70,153	51,243
Total Expenditures	1,486,019	98,185	-	-	1,584,204	1,374,027
Excess (Deficiency) of Revenue Over Expenditures For The Year	122,614	(57,498)	1,168	2,201	68,485	(14,684)

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

CAMP KAWARTHA INCORPORATED
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2014

	2014	2013
	\$	\$
<hr/>		
CASH PROVIDED BY (USED IN)		
Operating Activities		
Excess (deficiency) of revenue over expenditures for the year	68,485	(14,684)
Amortization of capital assets	98,185	86,301
Amortization of deferred contributions related to capital assets	(37,187)	(34,903)
Changes in non-cash working capital accounts		
Accounts receivable	(10,835)	(88)
Inventory	(3,546)	3,791
Prepaid expenses	(4,875)	6,109
Accounts payable	26,425	(1,136)
Deferred revenue	26,947	21,634
	<hr/>	<hr/>
	163,599	67,024
	<hr/>	<hr/>
Financing Activities		
Proceeds of deferred contributions related to capital assets	38,926	32,834
	<hr/>	<hr/>
Investing Activities		
Purchase of capital assets	(126,478)	(207,445)
	<hr/>	<hr/>
Increase (Decrease) In Cash For The Year	76,047	(107,587)
Cash, Beginning of Year	227,652	335,239
	<hr/>	<hr/>
Cash, End of Year	303,699	227,652
	<hr/>	<hr/>
Represented By:		
Cash	101,787	125,740
Investments	201,912	101,912
	<hr/>	<hr/>
	303,699	227,652
	<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, 2014**

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
- (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 fencing, 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.

CAMP KAWARTHA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS **For The Year Ended September 30, 2014**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Use of Accounting Estimates

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

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.

CAMP KAWARTHA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2014
NOTE 4: CAPITAL ASSETS

	2014		2013	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Land	160,157	-	160,157	-
Buildings	1,501,454	606,005	1,411,511	541,439
Computers	26,000	24,887	26,000	23,774
Equipment and furnishings	489,825	361,861	477,235	337,169
Docks	57,482	30,209	57,482	27,335
Fencing	3,338	167	-	-
Vehicles	76,217	59,585	51,271	50,473
	2,314,473	1,082,714	2,183,656	980,190
Net book value		1,231,759		1,203,466

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 \$61,914 (2013 - \$73,687) is shown net of fundraising expenses of \$40,955 (2013 - \$34,149). The organization's major fundraising activity is the annual Surf n'Turf which had gross revenue of \$75,664 (2013 - \$83,029).

NOTE 8: GOVERNMENT REMITTANCES

Included in accounts receivable are government remittances of \$9,316 (2013 - \$8,922).

Included in accounts payable and accrued liabilities are government remittances of \$14,182 (2013 - \$14,966).