

Financial Statements of

CAMP KAWARTHA INCORPORATED

September 30, 2018

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Independent auditor's report

To the Board of Directors of
Camp Kawartha Incorporated

We have audited the accompanying financial statements of Camp Kawartha Incorporated, which comprise the statement of financial position as at September 30, 2018, 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.

Auditor's 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 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 audit is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, Camp Kawartha Incorporated derives revenue from fundraising, 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 revenue from fundraising, excess of revenue over expenses, assets and fund balances.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Camp Kawartha Incorporated as at September 30, 2018, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other matter

The financial statements of Camp Kawartha Incorporated for the year ended September 30, 2017 were audited by McColl Turner LLP, who expressed an unmodified opinion on those statements on December 13, 2017. The partners and staff of McColl Turner LLP joined Grant Thornton LLP subsequent to December 13, 2017.

Peterborough, Canada
December 11, 2018



Chartered Professional Accountants
Licensed Public Accountants

CAMP KAWARTHA INCORPORATED

STATEMENT OF FINANCIAL POSITION

September 30, 2018

	Operating Fund \$	Capital Asset Fund \$	Property Reserve Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	2018 Total \$	2017 Total \$
ASSETS							
CURRENT ASSETS							
Cash and short term investments (note 4)	133,441	-	40,020	100,000	101,912	375,373	379,763
Accounts receivable (note 5)	99,419	-	-	-	-	99,419	111,226
Inventory	14,310	-	-	-	-	14,310	18,151
Prepaid expenses	57,619	-	-	-	-	57,619	51,828
	304,789	-	40,020	100,000	101,912	546,721	560,968
CAPITAL ASSETS (note 6)	-	1,410,113	-	-	-	1,410,113	1,435,652
	304,789	1,410,113	40,020	100,000	101,912	1,956,834	1,996,620
LIABILITIES							
CURRENT LIABILITIES							
Loan payable (note 8)	-	-	-	-	-	-	10,000
Accounts payable and accrued liabilities (note 5)	128,852	-	-	-	-	128,852	88,664
Deferred revenue	159,006	-	-	-	-	159,006	219,827
	287,858	-	-	-	-	287,858	318,491
LONG TERM LIABILITIES							
Deferred contributions related to capital assets	-	616,752	-	-	-	616,752	636,278
	287,858	616,752	-	-	-	904,610	954,769
FUND BALANCES							
Unrestricted	16,931	793,361	-	-	-	810,292	809,919
Internally restricted	-	-	40,020	100,000	101,912	241,932	231,932
	16,931	793,361	40,020	100,000	101,912	1,052,224	1,041,851
	304,789	1,410,113	40,020	100,000	101,912	1,956,834	1,996,620

See accompanying notes to the financial statements

CAMP KAWARTHA INCORPORATED
STATEMENT OF CHANGES IN FUND BALANCES
Year Ended September 30, 2018

	Operating Fund \$	Capital Asset Fund \$	Property Reserve Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	2018 Total \$	2017 Total \$
FUND BALANCES - beginning of year	20,545	789,374	30,020	100,000	101,912	1,041,851	1,020,764
Excess (deficiency) of revenue over expenses for the year	86,421	(77,558)	176	661	673	10,373	21,087
Interfund transfer	(90,035)	81,545	9,824	(661)	(673)	-	-
FUND BALANCES - end of year	16,931	793,361	40,020	100,000	101,912	1,052,224	1,041,851

See accompanying notes to the financial statements

CAMP KAWARTHA INCORPORATED

STATEMENT OF OPERATIONS

Year Ended September 30, 2018

	Operating Fund \$	Capital Asset Fund \$	Property Reserve Fund \$	Baker Bequest Fund \$	Pugsley Bequest Fund \$	2018 Total \$	2017 Total \$
REVENUE							
Summer camp fees	1,102,624	-	-	-	-	1,102,624	1,026,330
Outdoor education fees	478,769	-	-	-	-	478,769	443,788
Rental fees	211,190	-	-	-	-	211,190	218,356
Fundraising (note 9 and 10)	160,717	-	-	-	-	160,717	116,100
Grants	74,573	-	-	-	-	74,573	63,692
Interest and other	4,809	-	176	661	673	6,319	4,469
Amortization of deferred contributions related to capital assets	-	48,179	-	-	-	48,179	48,334
	2,032,682	48,179	176	661	673	2,082,371	1,921,069
EXPENSES							
Accounting	41,522	-	-	-	-	41,522	40,656
Advertising and promotion	34,060	-	-	-	-	34,060	26,019
Amortization of capital assets	-	125,737	-	-	-	125,737	129,712
Capital campaign (note 10)	127,542	-	-	-	-	127,542	42,762
Food	190,763	-	-	-	-	190,763	189,193
Insurance	57,625	-	-	-	-	57,625	55,274
Interest and bank charges	33,625	-	-	-	-	33,625	31,935
Maintenance and supplies	100,401	-	-	-	-	100,401	91,229
Medical supplies	2,134	-	-	-	-	2,134	3,374
Memberships and conferences	12,567	-	-	-	-	12,567	14,712
Office and general	22,405	-	-	-	-	22,405	23,623
Program supplies	119,376	-	-	-	-	119,376	96,153
Professional fees	9,000	-	-	-	-	9,000	7,205
Salaries and benefits	1,074,057	-	-	-	-	1,074,057	1,035,905
Sundry	7,929	-	-	-	-	7,929	8,059
Taxes - municipal	15,681	-	-	-	-	15,681	13,379
Vehicle and travel	32,381	-	-	-	-	32,381	19,677
Utilities	65,193	-	-	-	-	65,193	71,115
	1,946,261	125,737	-	-	-	2,071,998	1,899,982
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	86,421	(77,558)	176	661	673	10,373	21,087

See accompanying notes to the financial statements

CAMP KAWARTHA INCORPORATED**STATEMENT OF CASH FLOWS**

Year Ended September 30, 2018

	2018 \$	2017 \$
CASH PROVIDED FROM (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	10,373	21,087
Add (deduct) items not involving an outlay of cash:		
Amortization of capital assets	125,737	129,712
Amortization of deferred contributions related to capital assets	(48,179)	(48,334)
	87,931	102,465
Changes in non-cash working capital items:		
Accounts receivable	11,807	6,884
Inventory	3,841	(4,374)
Prepaid expenses	(5,791)	6,096
Accounts payable	40,188	(10,073)
Deferred revenue	(60,821)	110,028
	77,155	211,026
FINANCING ACTIVITIES		
Repayment of loan	(10,000)	-
Proceeds of deferred contributions related to capital assets	28,653	61,669
	18,653	61,669
INVESTING ACTIVITIES		
Purchase of capital assets	(100,198)	(137,460)
INCREASE (DECREASE) IN CASH FOR THE YEAR	(4,390)	135,235
CASH POSITION - beginning of year	379,763	244,528
CASH POSITION - end of year	375,373	379,763

CAMP KAWARTHA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2018

1. PURPOSE OF THE ORGANIZATION

Camp Kawartha is incorporated without share capital under the laws of Ontario as a not-for-profit organization, and operates as a registered charity under charitable registration number 12453 9214 RT0001. The organization provides a centre for recreational, social and educational experiences for the children of Peterborough and the surrounding community.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

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

(b) Fund accounting

In order to ensure observance of limitation and restrictions placed on the use of 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 described as follows :

- (i) Operating Fund - includes the day-to-day administrative and operating activities
- (ii) Capital Asset Fund - includes the investment in capital assets
- (ii) Property Reserve Fund - includes contributions which are internally restricted by the Board of Directors to be used for special purposes
- (iv) Baker Bequest Fund - includes contributions which are internally restricted by the Board of Directors to be used for special purposes
- (v) Pugsley Bequest Fund - includes contributions which are internally restricted by the Board of Directors to be used for special purposes

(c) Revenue recognition

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.

(d) Inventory

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

CAMP KAWARTHA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2018

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Capital assets*

Purchased capital assets are recorded at cost. Donated capital assets are recorded at the estimated fair value at the time of donation. Amortization of capital assets is provided on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	25 years
Furniture and equipment	10 years
Automotive equipment	3 years
Docks	20 years
Computers	3 years
Land improvements	10 years
Paving	10 years
Fencing	20 years

(f) *Income taxes*

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

(g) *Contributed services*

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

(h) *Use of estimates*

Management reviews the carrying value of items in the financial statements at each reporting date to assess the need for revisions or any possibility of impairment. Management determines estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Estimates are reviewed periodically and adjustments are made to revenue and expenditures as appropriate in the year they become known. The most significant item affecting the financial statements involving the use of estimates is the estimated useful lives of capital assets.

3. FINANCIAL ASSETS AND LIABILITIES

(a) *Measurement*

The organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The organization accounts for the following as financial instruments:

- Cash and short term investments
- Accounts receivable
- Accounts payable

CAMP KAWARTHA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2018

3. FINANCIAL ASSETS AND LIABILITIES (continued)

(a) Measurement (continued)

A financial asset or financial liability is recognized when the organization becomes a party to contractual provision of the instrument. The organization initially measures all of its financial assets at fair value. The organization subsequently measures all of its financial assets and financial liabilities at amortized cost. The organization removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

(b) Risks

The organization is exposed to various risks associated with its financial assets and financial liabilities as described below. Unless otherwise noted, there has been no change in the risk exposure from the prior year.

(i) 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 7.

(ii) 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 as it is not considered necessary.

(iii) Interest rate risk

Interest rate risk 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 7. Consequently, the organization is exposed to fluctuations in future cash flows with respect to this instrument.

4. SHORT TERM INVESTMENTS

Short term investments consist of four Guaranteed Investment Certificate's (GIC's) with maturity dates ranging from November 2020 to February 2021 and earning interest at 0.65% per annum. The investments have been classified as current as management reserves the right to cash them in at any time.

5. GOVERNMENT REMITTANCES

Included in accounts receivable are HST public service body rebates of \$10,283 (2017 - \$10,179). Included in accounts payable are government remittances of \$18,477 (2017 - \$18,196).

CAMP KAWARTHA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2018

6. CAPITAL ASSETS

Capital assets consist of the following:

	2018		2017	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Land	160,156	-	160,156	-
Buildings	1,919,889	891,947	1,876,750	815,152
Furniture and equipment	654,945	489,003	626,609	456,125
Automotive equipment	108,762	100,932	108,762	93,102
Docks	57,482	41,706	57,482	38,831
Computers	34,889	31,853	31,139	29,827
Land improvements	24,973	2,497	-	-
Paving	10,032	7,186	10,032	6,617
Fencing	5,345	1,236	5,345	969
	2,976,473	1,566,360	2,876,275	1,440,623
Net book value		<u>1,410,113</u>		<u>1,435,652</u>

7. BANK INDEBTEDNESS

The organization has a bank overdraft limit of \$45,000. Advances on the bank overdraft bear interest at prime plus 1% and are repayable on demand.

8. LOAN PAYABLE

The loan payable was repaid in full during the year.

9. FUNDRAISING

The fundraising income of \$163,717 (2017 - \$116,100) is shown net of fundraising expenses of \$56,166 (2017 - \$61,352). The organization's major fundraising activity is the annual Surf n'Turf which had gross revenue of \$74,063 (2017 - \$84,929).

10. CAPITAL CAMPAIGN

The organization has engaged the services of The Dennis Group Inc. to provide consulting services for the planning of a Capital Campaign. In the current year the organization incurred professional fees of \$119,317 (2017 - \$38,977) relating to these services and \$8,225 (2017 - \$3,785) of other campaign expenses. Included in fundraising income is \$87,522 (2017 - \$38,977) of donation revenue recorded during the year to offset these expenses. Included in deferred revenue at September 30, 2018 is unspent capital campaign contributions of \$nil (2017 - \$26,228). All revenue and expenses relating to the capital campaign have been recorded in the operating fund.