

Financial Statements

Camp Kawartha Incorporated

September 30, 2019

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# Independent Auditor's Report

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To the Board of Directors  
Camp Kawartha Incorporated

## Qualified Opinion

We have audited the financial statements of Camp Kawartha Incorporated, which comprise the statement of financial position as at September 30, 2019, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at September 30, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

## Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the organization. Therefore, we were not able to determine whether any adjustments might be necessary to net assets at September 30, 2019 and fundraising revenue, deficiency of revenue over expenses and cash flows from operations for the year then ended. Our audit opinion on the financial statements for the year ended September 30, 2018 was similarly modified because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Independent Auditor's Report (continued)

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, handwritten-style script.

Peterborough, Canada  
December 17, 2019

Chartered Professional Accountants  
Licensed Public Accountants

## Camp Kawartha Incorporated

### Statement of Financial Position

September 30	Operating Fund 2019	Capital Asset Fund 2019	Property Reserve Fund 2019	Baker Bequest Fund 2019	Pugsley Bequest Fund 2019	Total 2019	Total 2018
<b>Assets</b>							
Current							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,811
Accounts receivable (Note 5)	101,219	-	-	-	-	101,219	99,419
Prepaid expenses	70,282	-	-	-	-	70,282	57,619
Inventory	23,166	-	-	-	-	23,166	14,310
Short term investments (Note 4)	<u>270,032</u>	<u>-</u>	<u>50,020</u>	<u>100,000</u>	<u>101,912</u>	<u>521,964</u>	<u>252,562</u>
	<u>464,699</u>	<u>-</u>	<u>50,020</u>	<u>100,000</u>	<u>101,912</u>	<u>716,631</u>	<u>546,721</u>
Capital assets (Note 6)	-	1,456,579	-	-	-	1,456,579	1,410,114
	<u>\$ 464,699</u>	<u>\$ 1,456,579</u>	<u>\$ 50,020</u>	<u>\$ 100,000</u>	<u>\$ 101,912</u>	<u>\$ 2,173,210</u>	<u>\$ 1,956,835</u>

See accompanying notes to the financial statements.

# Camp Kawartha Incorporated

## Statement of Financial Position

September 30	Operating Fund 2019	Capital Asset Fund 2019	Property Reserve Fund 2019	Baker Bequest Fund 2019	Pugsley Bequest Fund 2019	Total 2019	Total 2018
<b>Liabilities</b>							
Current							
Bank indebtedness (Note 7)	\$ 316,950	\$ -	\$ -	\$ -	\$ -	\$ 316,950	\$ -
Accounts payable and accrued liabilities (Note 5)	113,328	-	-	-	-	113,328	128,853
Deferred revenue	131,770	-	-	-	-	131,770	159,006
	<u>562,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562,048</u>	<u>287,859</u>
Deferred contributions related to capital assets	-	607,733	-	-	-	607,733	616,752
	<u>562,048</u>	<u>607,733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,169,781</u>	<u>904,611</u>
<b>Fund balances</b>							
Unrestricted	(97,349)	848,846	-	-	-	751,497	810,292
Internally restricted	-	-	50,020	100,000	101,912	251,932	241,932
	<u>(97,349)</u>	<u>848,846</u>	<u>50,020</u>	<u>100,000</u>	<u>101,912</u>	<u>1,003,429</u>	<u>1,052,224</u>
	<u>\$ 464,699</u>	<u>\$ 1,456,579</u>	<u>\$ 50,020</u>	<u>\$ 100,000</u>	<u>\$ 101,912</u>	<u>\$ 2,173,210</u>	<u>\$ 1,956,835</u>

See accompanying notes to the financial statements.

## Camp Kawartha Incorporated

### Statement of Changes In Fund Balances

Year ended September 30	Operating Fund 2019	Capital Asset Fund 2019	Property Reserve Fund 2019	Baker Bequest Fund 2019	Pugsley Bequest Fund 2019	Total 2019	Total 2018
Balance, beginning of year	\$ 16,931	\$ 793,361	\$ 40,020	\$ 100,000	\$ 101,912	\$ 1,052,224	\$ 1,041,851
Excess (deficiency) of revenue over expenses for the year	36,307	(88,234)	265	1,420	1,447	(48,795)	10,373
Interfund transfer	(150,587)	143,719	9,735	(1,420)	(1,447)	-	-
Balance, ending of year	<u>\$ (97,349)</u>	<u>\$ 848,846</u>	<u>\$ 50,020</u>	<u>\$ 100,000</u>	<u>\$ 101,912</u>	<u>\$ 1,003,429</u>	<u>\$ 1,052,224</u>

## Camp Kawartha Incorporated

### Statement of Operations

Year ended September 30	Operating Fund 2019	Capital Asset Fund 2019	Property Reserve Fund 2019	Baker Bequest Fund 2019	Pugsley Bequest Fund 2019	Total 2019	Total 2018
<b>Revenue</b>							
Summer camp fees	\$ 1,169,744	\$ -	\$ -	\$ -	\$ -	\$ 1,169,744	\$ 1,102,624
Outdoor education fees	457,423	-	-	-	-	457,423	478,769
Rental fees	199,030	-	-	-	-	199,030	211,190
Fundraising (Notes 8, 9)	151,129	-	-	-	-	151,129	160,717
Grants	109,226	-	-	-	-	109,226	74,573
Interest and other	7,573	-	265	1,420	1,447	10,705	6,319
Amortization of deferred contributions related to capital assets	-	51,612	-	-	-	51,612	48,179
	<u>2,094,125</u>	<u>51,612</u>	<u>265</u>	<u>1,420</u>	<u>1,447</u>	<u>2,148,869</u>	<u>2,082,371</u>
<b>Expenses</b>							
Accounting	43,579	-	-	-	-	43,579	41,522
Advertising and promotion	31,926	-	-	-	-	31,926	34,060
Amortization of capital assets	-	139,846	-	-	-	139,846	125,737
Capital campaign (Note 9)	97,368	-	-	-	-	97,368	127,542
Food	195,956	-	-	-	-	195,956	190,763
Insurance	57,523	-	-	-	-	57,523	57,625
Interest and bank charges	41,553	-	-	-	-	41,553	33,625
Maintenance and supplies	132,708	-	-	-	-	132,708	100,401
Medical supplies	2,316	-	-	-	-	2,316	2,134
Memberships	9,104	-	-	-	-	9,104	12,567
Office and general	22,674	-	-	-	-	22,674	22,405
Program supplies	145,628	-	-	-	-	145,628	119,376
Professional fees	9,000	-	-	-	-	9,000	9,000
Salaries and benefits	1,146,555	-	-	-	-	1,146,555	1,074,057
Sundry	6,197	-	-	-	-	6,197	7,929
Taxes - municipal	16,924	-	-	-	-	16,924	15,681
Utilities	75,183	-	-	-	-	75,183	65,193
Vehicle and travel	23,624	-	-	-	-	23,624	32,381
	<u>2,057,818</u>	<u>139,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,197,664</u>	<u>2,071,998</u>
	<u>\$ 36,307</u>	<u>\$ (88,234)</u>	<u>\$ 265</u>	<u>\$ 1,420</u>	<u>\$ 1,447</u>	<u>\$ (48,795)</u>	<u>\$ 10,373</u>

See accompanying notes to the financial statements.



# Camp Kawartha Incorporated

## Statement of Cash Flows

Year ended September 30

2019

2018

### Operating

Excess (deficiency) of revenue over expenses for the year	\$ (48,795)	\$ 10,373
Add (deduct) items not involving an outlay of cash:		
Amortization of capital assets	139,846	125,737
Amortization of deferred contributions related to capital assets	<u>(51,612)</u>	<u>(48,179)</u>
	<u>39,439</u>	<u>87,931</u>

### Change in non-cash working capital items

Accounts receivable	(1,800)	11,807
Inventory	(8,856)	3,841
Prepaid expenses	(12,663)	(5,791)
Accounts payable and accrued liabilities	(15,526)	40,187
Deferred revenue	<u>(27,236)</u>	<u>(60,821)</u>
	<u>(26,642)</u>	<u>77,154</u>

### Investing

Purchase of capital assets	(186,310)	(100,198)
Purchase of short term investments	<u>(269,402)</u>	<u>(10,150)</u>
	<u>(455,712)</u>	<u>(110,348)</u>

### Financing

Repayment of loan	-	(10,000)
Proceeds of deferred contributions related to capital assets	<u>42,593</u>	<u>28,653</u>
	<u>42,593</u>	<u>18,653</u>

### Cash

Cash, beginning of year	<u>122,811</u>	<u>137,352</u>
Cash (bank indebtedness), end of year	<u>\$ (316,950)</u>	<u>\$ 122,811</u>

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# **Camp Kawartha Incorporated**

## **Notes to the Financial Statements**

Year ended September 30, 2019

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### **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.

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### **2. Significant accounting policies**

#### **Basis of presentation**

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 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
- (iii) 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

#### **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.

#### **Inventory**

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

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# Camp Kawartha Incorporated

## Notes to the Financial Statements

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Year ended September 30, 2019

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### 2. Significant accounting policies, continued

#### 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

#### 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.

#### 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.

#### 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.

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# Camp Kawartha Incorporated

## Notes to the Financial Statements

Year ended September 30, 2019

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### 2. Significant accounting policies, continued

#### Financial instruments

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
- Short term investments
- Accounts receivable
- Accounts payable

A financial asset or financial liability is recognized when the organization becomes a party to a contractual provision of the instrument. The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures 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.

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### 3. Financial instruments

The organization is exposed to various risks associated with its financial instruments 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 indebtedness 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 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 7. Consequently, the organization is exposed to fluctuations in future cash flows with respect to this instrument.

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# Camp Kawartha Incorporated

## Notes to the Financial Statements

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Year ended September 30, 2019

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### 4. Short term investments

Short term investments consist of five Guaranteed Investment Certificate's (GIC's) with a maturity date of November 2020 and earning interest at 1.55% in the first year and 1.95% in the second year. The organization has pledged short term investments in the amount of \$300,000 as collateral on the bank indebtedness as described in note 7.

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### 5. Government remittances

Included in accounts receivable are HST public service body rebates of \$14,111 (2018 - \$10,283). Included in accounts payable are government remittances of \$15,626 (2018 - \$18,196).

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### 6. Capital assets

Capital assets consist of the following:

	2019	2019	2018	2018
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 160,156	\$ -	\$ 160,156	\$ -
Buildings	2,030,186	973,155	1,919,889	891,947
Furniture and equipment	679,422	521,367	654,945	489,003
Automotive equipment	129,996	115,840	108,762	100,932
Docks	57,482	44,580	57,482	41,706
Computers	36,351	34,126	34,889	31,853
Land improvements	53,813	7,879	24,973	2,497
Paving	10,032	7,755	10,032	7,186
Fencing	5,346	1,503	5,346	1,236
	<u>3,162,784</u>	<u>1,706,205</u>	<u>2,976,474</u>	<u>1,566,360</u>
Net book value	<u>\$ 1,456,579</u>		<u>\$ 1,410,114</u>	

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### 7. Bank indebtedness

The organization has available an operating demand loan of up to \$345,000 and an operating facility of up to \$40,000. Advances on the operating demand loan bear interest at prime plus 1% and are repayable on demand. Advances on the operating facility bear interest at prime rate and are repayable on demand. Both facilities are secured by short term investments of \$300,000 as described in note 4 and a first charge mortgage on the land and buildings of \$100,000.

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# **Camp Kawartha Incorporated**

## **Notes to the Financial Statements**

Year ended September 30, 2019

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### **8. Fundraising**

The fundraising income of \$151,129 (2018 - \$160,717) is shown net of fundraising expenses of \$48,389 (2018 - \$56,166). The organization's major fundraising activity is the annual Surf n'Turf which had gross revenue of \$40,788 (2018 - \$74,063).

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### **9. 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 \$91,909 (2018 - \$119,317) relating to these services and \$5,459 (2018 - \$8,225) of other campaign expenses. Included in fundraising income is \$105,593 (2018 - \$87,522) of donation revenue recorded during the year to offset these expenses. Included in deferred revenue at September 20, 2019 is unspent capital campaign contributions of \$6,516 (2018 - \$nil). All revenue and expenses relating to the capital campaign have been recorded in the operating fund.

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