

**Friends of the Learning Disabled,
Camp Kirk**

Financial Statements

September 30, 2017



Independent Auditor's Report

To the Directors of
Friends of the Learning Disabled, Camp Kirk

Report of the financial statements

We have audited the accompanying financial statements of **Friends of the Learning Disabled, Camp Kirk**, which comprise the statement of financial position as at **September 30, 2017** and the statements of operations and net assets 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 of material misstatement.

An audit involves performing procedures to obtain 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Friends of the Learning Disabled, Camp Kirk

Independent Auditor's Report

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Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities and donations, 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 revenues, excess of revenue over expenditures, and cash flows from operations for the years ended September 30, 2017 and 2016, current assets as at September 30, 2017 and 2016, and net assets as at October 1 and September 30 for both the 2017 and 2016 years. Our audit opinion on the financial statements for the year ended September 30, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible 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 **Friends of the Learning Disabled, Camp Kirk** as at **September 30, 2017** 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.

Clarkson Rouble LLP

Mississauga, Ontario
March 7, 2018

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants



Friends of the Learning Disabled, Camp Kirk

Statement of Financial Position As at September 30

	2017	2016
Assets		
Current		
Cash	\$ 212,439	\$ 36,722
Term deposits	250,632	258,138
Accounts receivable	16,878	34,111
HST recoverable	30,159	27,922
Prepaid expenses	16,084	12,334
	<u>526,192</u>	<u>369,227</u>
Equipment (Note 2)	<u>41,152</u>	<u>57,458</u>
	<u>\$ 567,344</u>	<u>\$ 426,685</u>
Liabilities		
Current		
Accounts payable and accrued charges	\$ 10,375	\$ 24,766
Source deductions payable	3,499	2,428
Deferred revenue (Note 3)	204,004	37,003
	<u>217,878</u>	<u>64,197</u>
Net Assets	<u>349,466</u>	<u>362,488</u>
	<u>\$ 567,344</u>	<u>\$ 426,685</u>

See accompanying notes to financial statements

On behalf of the Board:



Director



Director

Friends of the Learning Disabled, Camp Kirk

Statement of Operations and Net Assets Year Ended September 30

	2017	2016
Revenue		
Camper fees	\$ 187,689	\$ 206,726
Donations	299,600	237,203
Fundraising events	172,467	166,249
Interest and other	1,392	5,755
Total revenue	661,148	615,933
Expenses		
Program expenses		
Summer camp (Schedule A)	450,916	473,551
Public awareness (Schedule A)	41,072	46,422
	491,988	519,973
Fundraising (Schedule A)	117,214	75,324
Administration (Schedule A)	64,968	51,542
Total expenses	674,170	646,839
Deficiency of revenue over expenses for the year	(13,022)	(30,906)
Net assets, beginning of year	362,488	393,394
Net assets, end of year	\$ 349,466	\$ 362,488

See accompanying notes to financial statements

Friends of the Learning Disabled, Camp Kirk

Statement of Cash Flows Year Ended September 30

	2017	2016
Operating activities		
Deficiency of revenue over expenses for the year	\$ (13,022)	\$ (30,906)
Item not requiring an outlay of cash		
Amortization	20,305	20,184
	7,283	(10,722)
Cash generated from (used for)		
Operating working capital		
Accounts receivable	17,233	(21,972)
HST recoverable	(2,237)	4,403
Prepaid expenses	(3,750)	6,110
Accounts payable	(13,320)	979
Deferred revenue	167,001	(807)
Increase (decrease) from operating activities	172,210	(22,009)
Investing activity		
Purchase of equipment	(3,999)	(23,044)
Increase (decrease) in cash	168,211	(45,053)
Cash, beginning of year	294,860	339,913
Cash, end of year	\$ 463,071	\$ 294,860
Represented by:		
Cash	\$ 212,439	\$ 36,722
Term deposits	250,632	258,138
	\$ 463,071	\$ 294,860

See accompanying notes to financial statements

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements September 30, 2017

The organization was incorporated in 1990 under the laws of the Province of Ontario as a non-profit corporation without share capital. It is a registered Canadian Charitable organization and is exempt from income taxes under Section 149 of the Income Tax Act.

The primary objects of the corporation are:

- a) To establish, maintain and operate a non-profit recreational camp or camps within the Province of Ontario for children with learning disabilities.
- b) To provide an opportunity for those with learning disabilities to successfully integrate into society with the assistance of and through the involvement in programs such as life skills training, educational upgrading, employment preparation, creative use of recreation and leisure time, and other specialized programs as necessary.
- c) To develop and promote better understanding of learning disabilities and people with learning disabilities with a view to encouraging community participation in the integration of learning disabled persons as productive members of society.

1. Summary of significant accounting policies

These financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook.

a) **Cash and cash equivalents**

Cash and cash equivalents consist of deposits in bank and term deposits which consist of redeemable guaranteed investment certificates.

b) **Financial instruments**

Financial instruments

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for term deposits, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements

September 30, 2017

1. Summary of significant accounting policies (continued)

Financial assets measured at fair value include term deposits which consists of guaranteed investment certificates. The organization has elected to carry its guaranteed investment certificates at fair value as these investments are considered part of cash and cash equivalents. The accrued interest recorded on such investments was felt to more accurately reflect the cash value of the guaranteed investments at year end.

The organization does not have any financial liabilities measured at fair value and has not elected to recognized any financial liabilities at fair value.

c) Equipment and amortization

Equipment is carried at cost. Amortization is recorded on the straight-line basis at rates designed to amortize the costs of the equipment over their estimated useful lives. The amortization rates are as follows:

Asset	Rate
Camp equipment	5 years
Office equipment	5 years
Computer equipment	3 years

A long-lived asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. There were no indications of impairment in the current year.

d) Revenue recognition

The Organization follows the deferral method of accounting for revenue.

Camp revenue is recorded the year earned. Donations are recorded as received on a cash basis since pledges are not legally enforceable claims. Donations, which are not designated specifically for capital purposes, are recorded as operating revenue in the statement of operations.

Special events revenue is recognized on completion of the event.

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements September 30, 2017

1. Summary of significant accounting policies (continued)

e) Donated property and services

Material donations of equipment, goods and services are recorded at fair value when such value can be reasonably estimated.

f) Measurement uncertainty

The preparation of financial statements in accordance 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Valuation of accounts receivable, valuation of accrued liabilities and the estimated useful life of capital assets are the most significant items that involve use of estimates.

g) Allocation of expenditures

The organization incurs a number of general support expenditures that are common to the program and fundraising activities, as well as administrative. Certain expenditures benefit more than one activity and accordingly have been attributed to the relevant activity. Salary allocations are based on the percentage of the employees' time spent supporting each activity. Such allocations are reviewed annually.

2. Equipment

	2017		2016	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Camp equipment	\$ 184,061	\$ 143,800	\$ 40,261	\$ 56,047
Office equipment	9,650	8,759	891	1,411
Computer equipment	22,442	22,442	-	-
	\$ 216,153	\$ 175,001	\$ 41,152	\$ 57,458

3. Deferred revenue

Deferred revenue consists of subsidy monies received for the 2018 camp year and funds received in relation to fall event taking place subsequent to year end.

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements
September 30, 2017

4. Financial instruments risk exposure

The Organization is exposed to various risks through financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date.

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's main credit risks relate to accounts receivable, however the risk is limited due to the nature of its accounts receivable. Contributions are not recorded in receivables unless collection is reasonably assured. The allowance for doubtful accounts is \$Nil (2016 - \$Nil)

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. The Organization expects to meet these obligations as they come due through sufficient cash flow from operations. The Organization has not had issues with meeting obligations in the past several years.

There has been no change in risk assessment from the prior period.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Due to the nature of the organization and the type of financial assets and liabilities that it carries, the Organization is not significantly exposed to currency risk, interest rate risk or other price risk.

5. Comparative figures

Certain comparative figures for 2016 have been reclassified to conform with the presentation adopted for 2017.

Friends of the Learning Disabled, Camp Kirk

Schedule A

Schedule of Expenses

Year ended September 30, 2017

	2017	2016
Summer camp		
Wages and benefits	\$ 199,553	\$ 198,922
Programs	30,577	30,477
Medical	1,052	4,563
Education and training	8,408	10,937
Repairs and maintenance	17,279	29,814
Advertising and promotion	5,276	14,095
Food	94,631	88,720
Occupancy costs	28,233	29,149
Travel and automotive	32,106	29,848
General and office	9,832	12,393
Telephone	3,664	4,449
Amortization	20,305	20,184
	\$ 450,916	\$ 473,551
Public awareness		
Wages and benefits	\$ 25,002	\$ 14,180
Advertising and promotion	9,808	24,883
General and office	1,265	2,223
Occupancy costs	3,626	3,356
Telephone	1,371	1,780
	\$ 41,072	\$ 46,422
Fundraising		
Wages and benefits	\$ 49,875	\$ 15,254
Event costs	57,895	43,684
General and office	649	2,188
Advertising and promotion	1,818	5,286
Occupancy costs	3,626	3,356
Telephone	1,371	1,780
Credit card fees	1,980	3,776
	\$ 117,214	\$ 75,324
Administration		
Wages and benefits	\$ 25,002	\$ 14,180
General and office	17,864	18,525
Professional fees	17,151	14,416
Bank charges and interest	639	175
Occupancy costs	3,626	3,356
Telephone	686	890
	\$ 64,968	\$ 51,542