

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

**Financial Statements**

**September 30, 2019**



## **Independent Auditor's Report**

To the Directors of

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

#### **Qualified Opinion**

We have audited the financial statements of **Friends of the Learning Disabled, Camp Kirk** (the Organization), which comprise the statement of financial position as at **September 30, 2019 and 2018**, the statements of revenue and expenses, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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 2018, and its financial performance 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, **Friends of the Learning Disabled, Camp Kirk** derives revenue from 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. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended September 30, 2019 and 2018, current assets as at September 30, 2019 and 2018, and net assets as at October 1 and September 30 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended September 30, 2018 was modified accordingly 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 qualified opinion.

#### **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.

# Friends of the Learning Disabled, Camp Kirk

## Independent Auditor's Report

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### 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.

*Clarkson Rouble LLP*

Mississauga, Ontario  
February 5, 2020

**Clarkson Rouble LLP**  
**Chartered Professional Accountants**  
**Licensed Public Accountants**



# Friends of the Learning Disabled, Camp Kirk

## Statement of Financial Position As at September 30

	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 127,579	\$ 74,801
Term deposits and cash	277,347	190,170
Accounts receivable	1,600	7,268
HST recoverable	24,006	18,113
Prepaid expenses	42,261	24,320
	<u>472,793</u>	<u>314,672</u>
<b>Investments - term deposits (Note 2)</b>	225,000	300,000
<b>Equipment (Note 3)</b>	32,145	23,408
	<u>\$ 729,938</u>	<u>\$ 638,080</u>

## Liabilities

<b>Current</b>		
Accounts payable and accrued charges	\$ 12,737	\$ 12,101
Source deductions payable	5,232	4,640
Deferred revenue (Note 4)	34,650	42,635
	<u>52,619</u>	<u>59,376</u>

## Net Assets

<b>Restricted Reserve Funds (Note 5)</b>	370,000	-
<b>Unrestricted net assets</b>	307,319	578,704
	<u>677,319</u>	<u>578,704</u>
	<u>\$ 729,938</u>	<u>\$ 638,080</u>

See accompanying notes to financial statements

On behalf of the Board:



Director



Director

# Friends of the Learning Disabled, Camp Kirk

## Statement of Revenue and Expenses Year Ended September 30

	2019	2018
<b>Revenue</b>		
Camper fees	\$ 211,139	\$ 211,884
Donations	377,827	302,805
Fundraising events	158,629	280,529
Interest and other	12,394	1,150
<b>Total revenue</b>	<b>759,989</b>	<b>796,368</b>
<b>Expenses</b>		
Program expenses		
Summer camp (Schedule A)	440,709	397,353
Public awareness (Schedule A)	32,286	36,828
	472,995	434,181
Fundraising (Schedule A)	143,277	79,046
Administration (Schedule A)	45,102	53,903
<b>Total expenses</b>	<b>661,374</b>	<b>567,130</b>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 98,615</b>	<b>\$ 229,238</b>

*See accompanying notes to financial statements*

# Friends of the Learning Disabled, Camp Kirk

## Statement of Changes in Net Assets Year Ended September 30

Fund	Restricted Reserve Funds (Note 5)					2019 Total	2018 Total
	Operating Reserve Fund	Building & Capital Asset Reserve Fund		Opportunity Reserve Fund	Total		
		-	-				
Balances, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ 578,704	\$ 349,466	
Excess of revenue over expense	-	-	-	-	98,615	229,238	
Transfer of funds	340,000	30,000	-	370,000	(370,000)	-	
<b>Balances, end of year</b>	<b>\$ 340,000</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 370,000</b>	<b>\$ 307,319</b>	<b>\$ 578,704</b>	

*See accompanying notes to financial statements*

# Friends of the Learning Disabled, Camp Kirk

## Statement of Cash Flows Year Ended September 30

	2019	2018
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 98,615	\$ 229,238
Item not requiring an outlay of cash		
Amortization	23,683	17,744
	122,298	246,982
Cash generated from (used for)		
Operating working capital		
Accounts receivable	5,668	9,610
HST recoverable	(5,893)	12,046
Prepaid expenses	(17,941)	(8,236)
Accounts payable	1,228	2,867
Deferred revenue	(7,985)	(161,369)
<b>Increase from operating activities</b>	97,375	101,900
<b>Investing activity</b>		
Investments - term deposits	75,000	(300,000)
Purchase of equipment	(32,420)	-
<b>Increase (decrease) from investing activities</b>	42,580	(300,000)
<b>Increase (decrease) in cash</b>	139,955	(198,100)
<b>Cash, beginning of year</b>	264,971	463,071
<b>Cash, end of year</b>	\$ 404,926	\$ 264,971
<b>Represented by:</b>		
Cash	\$ 127,579	\$ 74,801
Term deposits and cash	277,347	190,170
	\$ 404,926	\$ 264,971

*See accompanying notes to financial statements*

# Friends of the Learning Disabled, Camp Kirk

## Notes to Financial Statements September 30, 2019

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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, 2019

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### 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, 2019

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### 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. Investments - term deposits

The investments consist of guaranteed investment certificates with maturities of more than 365 days. Those investments mature between September 27, 2021 and September 27, 2023 and earn interest between 2.91% and 3.19%.

### 3. Equipment

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Camp equipment	\$ 216,481	\$ 184,336	\$ 32,145	\$ 23,035
Office equipment	9,650	9,650	-	372
Computer equipment	22,442	22,442	-	-
	<b>\$ 248,573</b>	<b>\$ 216,428</b>	<b>\$ 32,145</b>	<b>\$ 23,407</b>

# Friends of the Learning Disabled, Camp Kirk

## Notes to Financial Statements September 30, 2019

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### 4. **Deferred revenue**

Deferred revenue consists of subsidy funds received for the 2020 camp year and funds received in relation to fall event taking place subsequent to year end.

### 5. **Restricted Reserve Funds**

Internally restricted funds have been established by the board of directors to ensure funds are available for future contingencies as described below. The amounts reserved in each fund are reviewed by the board of directors at least annually.

#### a) **Operating Reserve Fund**

Established for possible future situations such as an unanticipated loss of funding, a sudden increase in expenses, one-time unbudgeted expenses, or uninsured loss. As a guiding principle, the operating reserve fund approximates 50% of the forecasted expenses for the fiscal year. At September 30, 2019, the board had allocated \$340,000 to the operating reserve fund.

#### b) **Building & Capital Asset Reserve Fund**

Established to provide a ready source of funds for repair or acquisition of building, leaseholds, furniture, fixtures and equipment necessary for the effective annual operation of the organization and programs. At September 30, 2019, the board had allocated \$30,000 to the building & capital asset reserve fund.

#### c) **Opportunity Reserve Fund**

Established to provide a source of funds for the acquisition, or funding of, specific long-term strategic assets. At September 30, 2019, the board had not identified a specific asset and, as such, no funds have been allocated to the opportunity reserve.

### 6. **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.

#### **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.

# Friends of the Learning Disabled, Camp Kirk

## Notes to Financial Statements

September 30, 2019

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### **6. Financial instruments risk exposure (continued)**

#### **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.

### **7. Comparative figures**

Certain comparative figures for 2018 have been reclassified to conform with the presentation adopted for 2019.

# Friends of the Learning Disabled, Camp Kirk

## Schedule of Expenses

Year ended September 30, 2019

Schedule A

	2019	2018
<b>Summer camp</b>		
Wages and benefits	\$ 202,431	\$ 188,751
Professional fees	235	-
Medical	1,471	1,783
Education and training	5,008	7,178
Repairs and maintenance	11,849	17,282
Advertising and promotion	10,283	11,691
Food	86,142	76,929
Occupancy costs	30,678	23,210
Travel and automotive	30,798	22,202
General and office	30,377	26,145
Telephone	4,506	3,929
Event costs	3,248	509
Amortization	23,683	17,744
	<b>\$ 440,709</b>	<b>\$ 397,353</b>
<b>Public awareness</b>		
Wages and benefits	\$ 23,400	\$ 22,204
Event costs	695	4,572
Advertising and promotion	708	1,761
General and office	2,374	3,501
Occupancy costs	2,946	2,010
Education and training	1,565	1,500
Travel	52	736
Telephone	546	544
	<b>\$ 32,286</b>	<b>\$ 36,828</b>
<b>Fundraising</b>		
Wages and benefits	\$ 59,980	\$ 51,158
Event costs	69,349	16,893
General and office	3,652	2,284
Advertising and promotion	874	125
Occupancy costs	2,946	6,250
Education and training	52	275
Repairs and maintenance	39	-
Telephone	824	575
Travel	3	260
Credit card fees	5,558	1,226
	<b>\$ 143,277</b>	<b>\$ 79,046</b>
<b>Administration</b>		
Wages and benefits	\$ 26,114	\$ 22,204
General and office	1,847	5,101
Professional fees	12,301	14,636
Bank charges and interest	49	1,062
Occupancy costs	3,796	8,639
Repairs and maintenance	473	1,577
Telephone	522	684
	<b>\$ 45,102</b>	<b>\$ 53,903</b>