

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

Financial Statements

September 30, 2020



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, 2020 and 2019**, 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, 2020 and 2019, 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, 2020 and 2019, current assets as at September 30, 2020 and 2019, and net assets as at October 1 and September 30 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended September 30, 2019 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 4, 2021

Clarkson Rouble LLP
Chartered Professional Accountants
Licensed Public Accountants



Friends of the Learning Disabled, Camp Kirk

Statement of Financial Position

As at September 30

	2020	2019
Assets		
Current		
Cash	\$ 250,826	\$ 127,579
Term deposits and cash	277,753	277,347
Accounts receivable	7,027	1,600
HST recoverable	2,109	24,006
Prepaid expenses	11,177	42,261
	<u>548,892</u>	<u>472,793</u>
Investments - term deposits (Note 2)	237,235	225,000
Equipment (Note 3)	<u>20,252</u>	<u>32,145</u>
	<u>\$ 806,379</u>	<u>\$ 729,938</u>
Liabilities		
Current		
Accounts payable and accrued charges	\$ 8,693	\$ 12,737
Source deductions payable	5,215	5,232
Deferred revenue (Note 4)	114,621	34,650
	<u>128,529</u>	<u>52,619</u>
Net Assets		
Restricted Reserve Funds (Note 5)	370,000	370,000
Unrestricted net assets	<u>307,850</u>	<u>307,319</u>
	<u>677,850</u>	<u>677,319</u>
	<u>\$ 806,379</u>	<u>\$ 729,938</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

	2020	2019
Revenue		
Camper fees	\$ -	\$ 211,139
Donations	186,552	377,827
Canada Emergency Wage Subsidy (Note 8)	48,949	-
Government grants	22,332	-
Fundraising events	141,728	158,629
Interest and other	12,643	12,394
Total revenue	412,204	759,989
Expenses		
Program expenses		
Summer camp (Schedule A)	187,862	440,709
Public awareness (Schedule A)	37,773	32,286
	225,635	472,995
Fundraising (Schedule A)	126,559	143,277
Administration (Schedule A)	59,479	45,102
Total expenses	411,673	661,374
Excess of revenue over expenses for the year	\$ 531	\$ 98,615

See accompanying notes to financial statements

Friends of the Learning Disabled, Camp Kirk

Statement of Changes in Net Assets Year Ended September 30

		Restricted Reserve Funds (Note 5)					
Fund	Operating Reserve Fund	Building & Capital Asset Reserve Fund	Opportunity Reserve Fund	Total Unrestricted	2020 Total	2019 Total	
Balances, beginning of year	\$ 340,000	\$ 30,000	\$ -	\$ 370,000	\$ 677,319	\$ 578,704	
Excess of revenue over expense	-	-	-	531	531	98,615	
Balances, end of year	\$ 340,000	\$ 30,000	\$ -	\$ 370,000	\$ 677,850	\$ 677,319	

See accompanying notes to financial statements

Friends of the Learning Disabled, Camp Kirk

Statement of Cash Flows Year Ended September 30

	2020	2019
Operating activities		
Excess of revenue over expenses for the year	\$ 531	\$ 98,615
Item not requiring an outlay of cash		
Amortization	11,893	23,683
	<u>12,424</u>	<u>122,298</u>
Cash generated from (used for)		
Operating working capital		
Accounts receivable	(5,427)	5,668
HST recoverable	21,897	(5,893)
Prepaid expenses	31,084	(17,941)
Accounts payable	(4,061)	1,228
Deferred revenue	79,971	(7,985)
	<u>135,888</u>	<u>97,375</u>
Increase from operating activities		
Investing activity		
Investments - term deposits	(12,235)	75,000
Purchase of equipment	-	(32,420)
	<u>(12,235)</u>	<u>42,580</u>
(Decrease) increase from investing activities		
Increase in cash	123,653	139,955
Cash, beginning of year	404,926	264,971
Cash, end of year	\$ 528,579	\$ 404,926
Represented by:		
Cash	\$ 250,826	\$ 127,579
Term deposits and cash	277,753	277,347
	<u>\$ 528,579</u>	<u>\$ 404,926</u>

See accompanying notes to financial statements

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements September 30, 2020

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, 2020

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.

Investment income is recognized on accrual basis.

Special events revenue is recognized on completion of the event.

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements September 30, 2020

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, 2022 and October 3, 2024 and earn interest between 2.25% and 3.19%.

3. Equipment

	2020		2019	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Camp equipment	\$ 216,481	\$ 196,229	\$ 20,252	\$ 32,145
Office equipment	9,650	9,650	-	-
Computer equipment	22,442	22,442	-	-
	\$ 248,573	\$ 228,321	\$ 20,252	\$ 32,145

Friends of the Learning Disabled, Camp Kirk

Notes to Financial Statements

September 30, 2020

4. Deferred revenue

Deferred revenue consists of subsidy funds received for the 2021 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, 2020, 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, 2020, 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, 2020, 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.

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September 30, 2020

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. Covid-19

On March 11, 2020, the World Health Organization declared Covid-19 a global pandemic. On March 17, 2020, the Province of Ontario invoked the Emergency Management and Civil Protection Act. Due to the high level of uncertainty related to the outcome of the pandemic, it is difficult to estimate the financial effect on the Organization. Therefore, no adjustments have been made on these financial statements. Management has proactively taken steps to continue delivery of services during the pandemic ensuring the safety of all staff and its clients.

8. Government assistance related to Covid-19

The organization has applied for and received Government assistance related to the Covid-19 pandemic. As of September 30, 2020 there is one Canadian governmental program that provide:

Canada Emergency Wage Subsidy (CEWS) program that provides a subsidy for wages starting from March 15, 2020. For the fiscal year ended September 30, 2020, the organization received \$48,949 in subsidies from the CEWS program, which is recognized in the statement of operations.

Friends of the Learning Disabled, Camp Kirk

Schedule of Expenses

Year ended September 30, 2020

Schedule A

	2020	2019
Summer camp		
Wages and benefits	\$ 116,142	\$ 202,431
Professional fees	878	235
Medical	(306)	1,471
Education and training	3,228	5,008
Repairs and maintenance	-	11,849
Advertising and promotion	11,446	10,283
Food	677	86,142
Occupancy costs	21,710	30,678
Travel and automotive	11,208	30,798
General and office	7,031	30,377
Telephone	3,955	4,506
Event costs	-	3,248
Amortization	11,893	23,683
	\$ 187,862	\$ 440,709
Public awareness		
Wages and benefits	\$ 28,670	\$ 23,400
Event costs	-	695
Advertising and promotion	4,723	708
General and office	984	2,374
Occupancy costs	2,959	2,946
Education and training	-	1,565
Travel	-	52
Telephone	437	546
	\$ 37,773	\$ 32,286
Fundraising		
Wages and benefits	\$ 49,754	\$ 59,980
Event costs	62,954	69,349
General and office	3,955	3,655
Professional fees	656	-
Advertising and promotion	924	874
Occupancy costs	2,960	2,985
Education and training	309	52
Telephone	510	824
Credit card fees	4,537	5,558
	\$ 126,559	\$ 143,277
Administration		
Wages and benefits	\$ 41,619	\$ 26,114
General and office	2,007	1,847
Professional fees	10,848	12,301
Medical	39	-
Bank charges and interest	134	49
Occupancy costs	3,824	3,796
Repairs and maintenance	612	473
Telephone	396	522
	\$ 59,479	\$ 45,102