

# **Financial Statements**

**Amici Camping Charity**

Toronto, Ontario

*September 30, 2013*

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## **Independent Auditors' Report**

### **To the Members of Amici Camping Charity:**

We have audited the accompanying financial statements of Amici Camping Charity, which comprise the statement of financial position as at September 30, 2013, September 30, 2012 and October 1, 2011 and the statements of changes in net assets, operations and cash flows for the years ended September 30, 2013 and September 30, 2012, 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.

### **Auditors' 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 Organization'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 Organization'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.

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## Independent Auditors' Report - continued

### Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to contributions, surplus, current assets and net assets.

### Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Amici Camping Charity as at September 30, 2013, September 30, 2012 and October 1, 2011 and the results of its operations and its cash flows for the years ended September 30, 2013 and September 30, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

### Comparative Information - Corresponding Figures

The financial statements of Amici Camping Charity for the year ended September 30, 2011 were audited by another auditor who expressed a modified opinion on those statements due to scope measurement of donation revenues on December 9, 2011.

Toronto, Ontario  
March 4, 2014



Chartered Accountants Licensed Public Accountants

**Amici Camping Charity**  
September 30, 2013

<b>Statement of Financial Position</b>			2013	2012	October 1, 2011
	General Fund	Endowment Fund	Total	Total	Total
<b>Current Assets</b>					
Cash and temporary investments, Note 4	\$ 216,550	\$ 0	\$ 216,550	\$ 110,452	\$ 158,396
Accounts receivable	22,062	0	22,062	26,702	59,284
Due from General Fund	0	0	0	0	45,616
Prepaid expenses	1,278	0	1,278	4,316	0
<b>Total Current</b>	<b>239,890</b>	<b>0</b>	<b>239,890</b>	<b>141,470</b>	<b>263,296</b>
<b>Long-Term Investments, Note 4</b>	<b>0</b>	<b>756,030</b>	<b>756,030</b>	<b>685,397</b>	<b>606,080</b>
	<b>239,890</b>	<b>756,030</b>	<b>995,920</b>	<b>826,867</b>	<b>869,376</b>

**Approved by The Board**

Paul Steven

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Director

Jamie Vallance

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Director

**Amici Camping Charity**

September 30, 2013

<b>Statement of Financial Position</b>			2013	2012	October 1, 2011
	General Fund	Endowment Fund	Total	Total	Total
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	\$ 11,951	\$ 0	\$ 11,951	\$ 13,602	\$ 15,240
Deferred revenue	0	0	0	0	5,535
Due to Endowment Fund	0	0	0	0	45,616
<b>Total Liabilities</b>	11,951	0	11,951	13,602	66,391
<b>Net Assets, internally restricted</b>					
Endowment Fund, per statement	0	756,030	756,030	685,397	651,696
General Fund, per statement	227,939	0	227,939	127,868	151,289
	227,939	756,030	983,969	813,265	802,985
	239,890	756,030	995,920	826,867	869,376

The notes on pages 10 through 15 form an integral part of these financial statements.

**Amici Camping Charity**

*Year ended September 30, 2013*

<b>Statement of Changes in Net Assets</b>	2013		2012	
	General Fund	Endowment Fund	Total	Total
Balance beginning	\$ 127,868	\$ 685,397	\$ 813,265	\$ 802,985
Add (deduct)				
Surplus	77,470	93,234	170,704	10,280
Interfund transfers, Note 7	22,601	(22,601)	0	0
<b><i>Balance September 30</i></b>	<b>227,939</b>	<b>756,030</b>	<b>983,969</b>	<b>813,265</b>

**Amici Camping Charity**  
Year ended September 30, 2013

<b>Statement of Operations</b>			2013	2012
	General Fund	Endowment Fund	Total	Total
<b>Revenues</b>				
Donations	\$ 488,742	\$ 0	\$ 488,742	\$ 300,304
Events, Note 6	108,130	0	108,130	118,880
<b>Total Revenues</b>	<b>596,872</b>	<b>0</b>	<b>596,872</b>	<b>419,184</b>
<b>Program Expenses</b>				
Camp fees	330,298	0	330,298	299,508
Program support	52,465	8,090	60,555	66,865
	<b>382,763</b>	<b>8,090</b>	<b>390,853</b>	<b>366,373</b>
<b>Operating Expenses</b>				
Fundraising	67,542	0	67,542	54,616
Office and general	51,567	0	51,567	44,780
Professional fees	11,751	0	11,751	10,513
Rent	7,268	0	7,268	6,585
	<b>138,128</b>	<b>0</b>	<b>138,128</b>	<b>116,494</b>
<b>Total Expenses</b>	<b>520,891</b>	<b>8,090</b>	<b>528,981</b>	<b>482,867</b>
<b>Surplus (Deficit) Before Other</b>	<b>75,981</b>	<b>(8,090)</b>	<b>67,891</b>	<b>(63,683)</b>
<b>Other</b>				
Dividend income	0	11,756	11,756	11,428
Interest income	1,489	1,702	3,191	10,848
Realized gains on investments	0	44,408	44,408	5,771
Unrealized gains (losses) on investments	0	43,458	43,458	45,916
<b>Other Surplus</b>	<b>1,489</b>	<b>101,324</b>	<b>102,813</b>	<b>73,963</b>
<b>Surplus</b>	<b>77,470</b>	<b>93,234</b>	<b>170,704</b>	<b>10,280</b>



**Amici Camping Charity**  
Year ended September 30, 2013

<b>Statement of Cash Flows</b>			2013	2012
	General Fund	Endowment Fund	Total	Total
<b>Operating Activities</b>				
Surplus	\$ 77,470	\$ 93,234	\$ 170,704	\$ 10,280
<b>Items not affecting cash</b>				
Unrealized (gains) losses on investments	0	(43,458)	(43,458)	(45,916)
	77,470	49,776	127,246	(35,636)
<b>Changes in non-cash working capital</b>				
Changes in accounts receivable	4,640	0	4,640	32,582
Changes in prepaid expenses	3,038	0	3,038	(4,316)
Changes in accounts payable	(1,651)	0	(1,651)	6,426
Changes in deferred revenue	0	0	0	(5,535)
Changes in interfund balances	22,601	(22,601)	0	0
<b>Cash Provided By (Used In) Operating Activities</b>	106,098	27,175	133,273	(6,479)
<b>Investing Activities</b>				
Reinvested dividends	0	(11,756)	(11,756)	(11,428)
Reinvested interest income	0	(1,702)	(1,702)	(9,384)
Reinvested realized gains on investments	0	(44,408)	(44,408)	(5,771)
Increase in investments	0	30,691	30,691	(14,882)
<b>Cash Used in Investing Activities</b>	0	(27,175)	(27,175)	(41,465)
Net cash increase during the year	106,098	0	106,098	(47,944)
Cash position beginning of year	110,452	0	110,452	158,396
<b>Cash Position End Of Year</b>	216,550	0	216,550	110,452

**Notes to Financial Statements**

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**Status and Nature of Activities**

The mission of Amici Camping Charity is to sponsor children to attend summer camp each year in the Province of Ontario. The Organization was incorporated under the Ontario Corporations Act on March 15, 1990 as a not-for-profit organization without share capital.

**Income Tax Status**

The Organization is a charitable organization as defined in the Income Tax Act (Canada) and may issue charitable receipts for donations received.

**Note 1**

**Significant Accounting Policies**

**a) Basis of Accounting**

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

**b) Fund Accounting**

Revenues and expenses related to program delivery and administrative activities are reported in the General Fund.

Endowment contributions are reported in the Endowment Fund. Dividend and interest income are reported in the Endowment Fund.

Realized and unrealized gains and losses on investments of the Endowment Fund are reported in the Endowment Fund.

**c) Revenue Recognition**

The Organization follows the deferral method of accounting for contributions. 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 to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in the net assets in the year.

Donation revenue is recognized on an accrual basis. Camp fees are provided using resources available and may not be reflected in the same year as the donations were received. Consequently, General Fund surplus(loss) may vary considerably from one year to the next.

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**Note 1      Significant Accounting Policies - continued**

The Organization outsources the management of certain events to contracted or volunteer managers and does not act as principal in these arrangements. Consequently, for these events, the Organization recognizes the net amounts received as revenue. Revenue from fundraising events for which management is handled using the Organization's resources is recorded on a gross basis with all expenses separately accounted for.

Pooled funds are held by the Toronto Community Foundation (TCF) in trust for the organization. Revenue from investments is recognized based on information supplied by TCF to the organization. This investment income in the Endowment Fund includes interest and dividend income, and realized and unrealized investment gains and losses.

**(d)      Use of Estimates**

The preparation of financial statements requires management to make assumptions about future events 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

**(e)      Financial Instruments**

Investments are designated and classified as held-for-trading financial assets. They are measured at fair value determined on the basis of market value.

The Organization has elected to use the exemption provided by The Canadian Institute of Chartered Accountants (CICA) permitting not-for-profit organizations to not apply the following sections of the CICA Handbook: Section 3862, Financial Instruments-Disclosures, and Section 3863, Financial Instruments - Presentation, which would otherwise have been applied to the financial statements of the Organization for the year ended September 30, 2013. The Organization applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

**(f)      Donations in Kind**

Donated goods and services are included in revenue and expenses when it is likely that the Organization would have had to otherwise pay for these goods and services.

**(g)      Property and Equipment**

Purchases of property and equipment are expensed as incurred.

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**Note 1      Significant Accounting Policies - continued**

**(h)      Allocation of Salary**

Salaries are allocated between salaries and benefits, fundraising, and program expenses. The allocation is based on the amount of time staff spent on fundraising and program activities. Some degree of management estimation is made using board approved allocation percentages. The remaining portion of salaries is then allocated to office and general. Please refer to Note 5 for additional detail regarding this allocation.

**(i)      Financial Instruments**

**Measurement of Financial Instruments**

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in income.

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

Financial liabilities measured at amortized cost include accounts payable.

**Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

**Note 2      Impact of the Change in the Basis of Accounting**

The Organization has elected to apply Canadian accounting standards for Not-for-Profit Organizations (NFPOs).

These financial statements are the first financial statements for which the Organization has applied Canadian accounting standards for NFPOs.

The financial statements for the year ended September 30, 2013 were prepared in accordance with the accounting principles and provisions set out in the First-Time Adoption, Section 1501, for first-time adopters of this basis of accounting.

The application of adopting this new financial reporting framework had no impact on the previously reported financial position as at October 1, 2011 and September 30, 2012 or to previously reported surplus or net assets for the year ended September 30, 2012. Consequently, a reconciliation of previously reported surplus to surplus as reported using accounting standards for NFPOs was not prepared.

**Note 3      Financial Instruments**

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a loss.

The Organization is subject to concentrations of credit risk through its cash and investment accounts. The maximum credit risk is equivalent to the carrying value.

**Market Risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. These fluctuations may be significant. The market risk factors for the pooled fund investments are those to which the Toronto Community Foundation Endowment funds are exposed. The methods and assumptions management uses have not changed substantially from the prior period. It is the Board of Directors' opinion that the Organization is not exposed to significant interest or foreign exchange rate risks.

**Amici Camping Charity**

September 30, 2013

**Note 4 Cash and Investments**

	2013	2012	October 1, 2011
<b>Cash</b>			
Operating current account	\$ 216,550	\$ 110,452	\$ 158,396
<b>Long-Term Investments</b>			
Pooled Investments held in trust by Toronto Community Foundation in their Endowment Fund	756,030	685,397	606,080
	<u>972,580</u>	<u>795,849</u>	<u>764,476</u>
<b>Composed of:</b>			
Unrestricted cash and temporary investments	216,550	110,452	158,396
Unrestricted long-term investments	756,030	685,397	606,080
	<u>972,580</u>	<u>795,849</u>	<u>764,476</u>

**Note 5 Salary and Benefits**

Remuneration to employees during the year totaled \$122,493 (2012 - 126,067).

The remuneration has been allocated as follows:

	2013	2012
Program support	\$ 48,997	\$ 56,497
Fundraising	48,997	47,325
Office and general	24,499	22,245
Total remuneration during the year	<u>122,493</u>	<u>126,067</u>

**Amici Camping Charity**

*September 30, 2013*

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**Note 6      Event Income**

Event revenue is comprised of net revenues generated through the following events:

	2013	2012
Canoe Head for Kids	\$ 87,476	\$ 78,733
Art Show	0	4,362
Tees & Tiaras	0	2,302
Ball Hockey Tournament	0	4,000
Amici Mile	0	4,055
Other community events	20,654	25,428
	<u>108,130</u>	<u>118,880</u>

**Note 7      Interfund Transfers**

In fiscal 2013, the Organization transferred 3.5% of the Endowment Fund to the General Fund to support its charitable programs. The amount transferred in fiscal 2013 was \$22,601. There are no externally imposed requirements for the General Fund to repay these funds to the Endowment Fund.

