

CARLETON PLACE CANOE CLUB

FINANCIAL STATEMENTS

OCTOBER 31, 2020

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To the Members of Carleton Place Canoe Club ,

Report on the Financial Statements

We have reviewed the accompanying financial statements of Carleton Place Canoe Club that comprise the statement of financial position as at October 31, 2020, and the statements of operations 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Carleton Place Canoe Club as at October 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Carleton Place, Ontario.
December 2, 2020.

Chartered Professional Accountants
Licensed Public Accountants

**CARLETON PLACE CANOE CLUB
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2020**

UNAUDITED

	2020 \$	2019 \$
ASSETS		
CURRENT		
Cash in bank	26,002	3,739
Cash - restricted (Note 2)	3,236	5,320
Accounts receivable	20,267	53,056
Prepaid expenses	3,345	3,405
	52,850	65,520
CAPITAL ASSETS (Note 3)	224,891	244,752
	277,741	310,272
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	5,408	23,991
Deferred receipts	4,950	-
TOTAL LIABILITIES	10,358	23,991
NET ASSETS		
Balance, beginning of year	286,281	253,919
Excess (expenses over revenues) revenues over expenses	(18,898)	32,362
Restated Balance, end of year	267,383	286,281
	277,741	310,272

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes
Subject to Review Engagement Report dated December 2, 2020

**CARLETON PLACE CANOE CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED OCTOBER 31, 2020**

UNAUDITED

	2020 \$	2019 \$
REVENUE		
Paddling and summer camp programs	79,584	202,107
Services and rentals	2,460	24,240
Nevada proceeds	16,215	22,765
Club Hosted Events	1,609	4,924
Grants	44,653	50,960
Wage subsidy	21,573	-
Fundraising	1,670	16,392
Clothing and product sales	139	30
	167,903	321,418
EXPENSES		
Paddling Program Expenses		
Affiliation Memberships	564	9,081
Automobile and travel	-	9,191
Awards	946	875
Bad debts	-	5,485
Boat Repairs and Supplies	1,519	3,874
Clothing	226	692
Insurance	5,967	6,691
Other program expenses	3,307	3,264
Race Entry Fees	-	410
Regatta Accommodations	-	4,916
Salaries and wages	114,611	170,483
Training and program supplies	1,413	1,683
Total Paddling Program Expenses	128,553	216,645
Administration		
Accounting	6,738	3,498
Amortization	23,601	23,446
Bank charges, interest and penalties	2,518	3,173
Cleaning, maintenance and repairs	-	1,689
Fundraising and events	750	9,278
Internet, website and promotion	1,457	1,863
Nevada	5,746	9,656
Office	2,059	4,592
Rent (Note 7)	14,099	13,836
Telephone	1,280	1,380
Total Administration Expenses	58,248	72,411
TOTAL EXPENSES	186,801	289,056
EXCESS OF (EXPENSES OVER REVENUES) REVENUES OVER EXPENSES	(18,898)	32,362

**CARLETON PLACE CANOE CLUB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2020**

UNAUDITED

	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from activities, grants and donations	200,692	303,372
Cash paid to suppliers	(181,723)	(265,726)
	18,969	37,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset purchases	(3,740)	(47,948)
CHANGE IN CASH DURING YEAR	20,179	(10,302)
CASH, beginning of year	9,059	19,361
CASH, end of year	29,238	9,059
Cash Represented By:		
Cash in bank	26,002	3,739
Cash - restricted (Note 2)	3,236	5,320
	29,238	9,059

Draft - Pending Approval

Carleton Place Canoe Club is a not-for-profit organization that provides dedicated leadership in the sport of canoeing to meet the recreational needs of the community. The Club was founded in 1893 and was incorporated by Letters Patent, as a non-profit corporation issued by the Province of Ontario on May 14, 1968.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) **Basis of presentation**
These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations; accordingly, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles.
- (b) **Capital Assets**
Capital Assets are recorded at cost. Average cost is used to record additions and dispositions of like assets. Amortization for the paddling program assets is provided at the following annual rates:
- | | |
|---------------------|-----------------------|
| C & K Class Boats | 20 year straight-line |
| War Canoes | 25 year straight-line |
| Dragon Boats | 40 year straight-line |
| Recreational Canoes | 15 year straight-line |
| Paddles | 5 year straight-line |
- Amortization rates used for assets in the building program are as follows:
- | | |
|---------------------------------------|-----------------------|
| Fitness, kitchen and office equipment | 20% declining-balance |
| Leasehold Improvements | 5 year straight-line |
- (c) **Revenue Recognition**
Member's fees are recognized when due. Services revenue is recognized when the services are provided. All other revenues are recognized when received.
- Operational and capital grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.
- Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonable estimated and collection is reasonably assured.
- (d) **Measurement Uncertainty**
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. RESTRICTED CASH

To meet the requirements of the Ontario Lottery Legislation, a separate bank account is maintained to collect and disburse funds related to the lottery license activities.

3. CAPITAL ASSETS

	2020 Cost \$	2020 Accumulated Amortization \$	2020 Net Book Value \$	2019 Net Book Value \$
Canoes and Boats	444,796	222,773	222,023	240,434
Boating Equipment	35,025	34,393	632	947
Equipment	22,206	21,033	1,173	1,773
Furniture	4,310	3,247	1,063	1,598
Leasehold Improvements	3,432	3,432	-	-
Total Capital Assets	509,769	284,878	224,891	244,752

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The balance includes an accrual for government remittances of \$1,200.

5. DONATED SERVICES

The work of the club is dependent upon the voluntary services of many members and volunteers. Since these services are not normally purchased by the Club and because of the difficulty in determining their fair market value, donated services are not recognized in these statements.

6. OPERATING LOAN AGREEMENT

On March 11, 2003, the Club signed a Demand Operating Loan Agreement with the Royal Bank. No security was assigned to this loan and interest is charged at prime plus 1%. In May 2020 the Club signed a \$40,000 debt facility agreement with the Royal Bank through the Canada Emergency Business Account Program.

7. LEASE COMMITMENT

The Canoe Club building is leased from the Town of Carleton Place. Until 2013, the rent was \$1 per annum. In 2013, the Town of Carleton Place took over the facilities management and cleaning. As a result, the lease was extended until July, 2024.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Club's financial instruments consist of cash, accounts receivable, and accounts payable. The financial instruments can expose the company to certain risks as follows.

Liquidity risk

Liquidity risk is the risk that the organization cannot meet its debts when they come due. The Club has excess cash resources in their operating account, therefore it is not exposed to significant liquidity risk.

Credit risk

Credit risk is the risk that members will default on their accounts. The Club has considers their accounts receivable collectible and therefore not exposed to any significant credit risk.

Interest rate risk, Currency risk, Market risk

The Club is not exposed to any significant interest rate, currency or market risk.

9. COVID-19 PANDEMIC

The COVID-19 pandemic has developed rapidly in 2020. Measures taken by various governments to contain the virus has lead to the Club changing it's operations in significant ways in order for the Club to meet the guidelines of both public health, and it's various governing sport affiliates. These circumstances have affected economic activity and the Club's operations in significant ways:

- Temporary suspension of the Club's activities during April and May
- Use of single boats only, crew boats are temporally prohibited
- Reduced program capacity in June, July and August

As a result of these events, receipts and expenditures decreased in the categories of: Paddling and summer programs, Services and rentals, Club hosted events, and Fundraising events. The Club maintained positive cash flow from operations and is not currently experiencing liquidity issues. Should there be further disruption to operations, the Club has sufficient cash reserves to fulfill obligations and finance ongoing operations for the short-term future.

Depending on the duration of the COVID-19 crisis and continued negative impact on economic activity, the Club may experience negative results in the long-term future. The exact impact on activities in 2021 and thereafter cannot be predicted.