

CARLETON PLACE CANOE CLUB

FINANCIAL STATEMENTS

OCTOBER 31, 2019

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NEPHIN WINTER BINGLEY

CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Practitioner's Review Engagement Report

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, 2019, 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, 2019, 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.
November 27, 2019.

Chartered Professional Accountants
Licensed Public Accountants

**CARLETON PLACE CANOE CLUB
STATEMENT OF FINANCIAL POSITION
AS AT OCTOBER 31, 2019**

UNAUDITED

	2019 \$	2018 \$
ASSETS		
CURRENT		
Cash in bank	3,739	16,099
Cash - restricted (Note 2)	5,320	3,262
Accounts receivable	53,056	35,010
Prepaid expenses	3,405	3,000
	65,520	57,371
CAPITAL ASSETS (Note 3)	244,752	220,250
	310,272	277,621
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4) (Note 9)	23,990	23,701
NET ASSETS		
Restated Balance, beginning of year (Note 9)	253,920	235,477
Excess revenues over expenses	32,362	18,443
	286,282	253,920
	310,272	277,621

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

See accompanying notes
Subject to Review Engagement Report dated November 27, 2019

NEPHIN WINTER BINGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

**CARLETON PLACE CANOE CLUB
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED OCTOBER 31, 2019**

UNAUDITED

	2019	2018
	\$	\$
REVENUE		
Paddling and summer camp programs	202,107	195,784
Services and rentals	24,240	19,672
Nevada proceeds	22,765	26,187
Club Hosted Events	13,555	26,298
Grants	50,960	30,538
Fundraising	7,761	6,881
Clothing and product sales	30	1,395
	321,418	306,755
EXPENSES		
Paddling Program Expenses		
Affiliation Memberships	9,081	16,986
Automobile and travel	9,191	4,216
Awards	875	1,455
Bad debts	5,485	-
Boat Repairs and Supplies	3,874	2,152
Clothing	692	1,349
Insurance	6,691	7,392
Other program expenses	3,264	2,770
Race Entry Fees	410	266
Regatta Accommodations	4,916	2,973
Salaries and wages	170,483	177,691
Training and program supplies	1,683	4,356
Total Paddling Program Expenses	216,645	221,606
Administration		
Accounting	3,498	6,311
Amortization	23,446	20,178
Bank charges, interest and penalties	3,173	2,194
Cleaning, maintenance and repairs	1,689	1,743
Fundraising and events	9,278	3,674
Internet, website and promotion	1,863	1,493
Nevada	9,656	15,695
Office	4,592	397
Rent (Note 7)	13,836	13,973
Telephone	1,380	1,048
Total Administration Expenses	72,411	66,706
TOTAL EXPENSES	289,056	288,312
EXCESS OF REVENUES OVER EXPENSES	32,362	18,443

See accompanying notes
Subject to Review Engagement Report dated November 27, 2019

NEPHIN WINTER BINGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

**CARLETON PLACE CANOE CLUB
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OCTOBER 31, 2019**

UNAUDITED

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from activities, grants and donations	303,372	298,604
Cash paid to suppliers	(265,726)	(263,065)
	<u>37,646</u>	<u>35,539</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset purchases	(47,948)	(38,409)
CHANGE IN CASH DURING YEAR	(10,302)	(2,870)
CASH, beginning of year	19,361	22,231
CASH, end of year	<u>9,059</u>	<u>19,361</u>
Cash Represented By:		
Cash in bank	3,739	16,099
Cash - restricted (Note 2)	5,320	3,262
	<u>9,059</u>	<u>19,361</u>

See accompanying notes
Subject to Review Engagement Report dated November 27, 2019

NEPHIN WINTER BINGLEY
CHARTERED PROFESSIONAL ACCOUNTANTS

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 reasonably 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

	2019 Cost \$	2019 Accumulated Amortization \$	2019 Net Book Value \$	2018 Net Book Value \$
Canoes and Boats	441,186	200,752	240,434	214,482
Boating Equipment	35,025	34,078	947	1,262
Equipment	22,206	20,433	1,773	2,373
Furniture	10,745	9,147	1,598	2,133
Leasehold Improvements	3,432	3,432	-	-
Total Capital Assets	512,594	267,842	244,752	220,250

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The balance includes government remittances payable of \$3,198 (2017 - \$3,702).

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%.

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.

8. NET ASSETS RESTATEMENT

As of October 31, 2018, Net Assets have been restated to reflect the correction of a prior period estimated liability. In the October 31, 2013 fiscal year, accounts payable was recorded for an estimated \$13,743 owing to a utility provider. At the time, the accounts payable was disputed by the Club and there was uncertainty regarding the likelihood of obligation settlement. The estimated balance owing was recognized and outstanding in the accounts payable until this fiscal year at which point the Club determined that the estimated liability was nil.

The correction of this prior period accounting estimate requires the restatement of the October 31, 2013 financial statements. On the statement of operations, expenses decreased \$13,743 and net excess of revenue over expenses increased \$13,743. The restatement is reflected in the prior year comparative figures presented for October 31, 2018. On the statement of financial position, accounts payable and accrued liabilities decreased \$13,743 and unrestricted net assets increased \$13,743.