

**BIG RIDEAU LAKE ASSOCIATION
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2022**

**BIG RIDEAU LAKE ASSOCIATION
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AS AT DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Members

Opinion

We have audited the financial statements of Big Rideau Lake Association (the Organization), which comprise the statement of financial position as at December 31, 2022 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 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 these 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.

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.

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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.

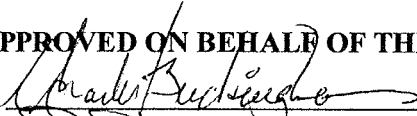

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KINGSTON, Canada
February 23, 2023

Wilkinson Company LLP

Chartered Professional Accountants
Licensed Public Accountants

**BIG RIDEAU LAKE ASSOCIATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022**

	2022	2021
	\$	\$
ASSETS		
CURRENT		
Cash	81,704	73,088
Prepaid expenses	3,146	2,875
	84,850	75,963
TANGIBLE CAPITAL ASSETS - Note 3	18,851	18,851
	103,701	94,814
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	2,900	2,700
Deferred revenue	360	109
Restricted donations - Note 4	605	4,091
	3,865	6,900
NET ASSETS		
Unrestricted	65,277	59,370
Internally restricted - Note 6	32,969	26,954
Externally restricted - Note 5	1,590	1,590
	99,836	87,914
APPROVED ON BEHALF OF THE BOARD		
 _____ Director		
 _____ Director		
	103,701	94,814

The accompanying notes form an integral part of these financial statements

**BIG RIDEAU LAKE ASSOCIATION
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	\$	\$
UNRESTRICTED		
UNRESTRICTED - BEGINNING OF YEAR	59,370	53,326
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	5,907	1,559
TRANSFER FROM INTERNALLY RESTRICTED - Note 6		4,485
UNRESTRICTED - END OF YEAR	65,277	59,370
INTERNALLY RESTRICTED - Note 6		
INTERNALLY RESTRICTED - BEGINNING OF YEAR	26,954	28,419
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	6,015	3,020
TRANSFER TO UNRESTRICTED - Note 6		(4,485)
INTERNALLY RESTRICTED - END OF YEAR	32,969	26,954
EXTERNALLY RESTRICTED - Note 5		
EXTERNALLY RESTRICTED - BEGINNING OF YEAR	1,590	1,590
EXTERNALLY RESTRICTED - END OF YEAR	1,590	1,590
NET ASSETS - END OF YEAR	99,836	87,914

The accompanying notes form an integral part of these financial statements

BIG RIDEAU LAKE ASSOCIATION
STATEMENT OF REVENUE AND EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021
	\$	\$
REVENUE		
Grants -		
Canadian Heritage - Celebrate Canada	2,360	
Township of Rideau Lakes	5,868	5,508
Membership fees	25,160	26,945
Interest	999	286
Donations - general	11,631	13,346
Donations - Doug Good Shoal Marker Reserve	1,850	3,020
Donations - day camp - Note 4	650	
Donations - environmental - Note 4	4,165	
Day camp	10,270	
Other program revenue	1,335	1,450
	64,288	50,555
EXPENDITURES		
Bank charges	1,434	1,294
Annual general meeting	241	344
Professional fees	3,164	3,051
Office supplies and business services	535	415
Repairs and maintenance	6,511	2,587
Property taxes	3,138	3,071
Insurance	7,915	7,231
Membership canvassing and communication	534	2,730
Website development	621	514
Environment	581	1,186
Fireworks	8,588	8,087
Buoys	10,012	12,448
Memberships	1,365	1,177
Day camp	6,096	
Other program expenditures	1,631	1,841
	52,366	45,976
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	11,922	4,579
Allocated to:		
Unrestricted	5,907	1,559
Internally Restricted	6,015	3,020
	11,922	4,579

The accompanying notes form an integral part of these financial statements

**BIG RIDEAU LAKE ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for year	11,922	4,579
Net change in non-cash working capital balances related to operations - Note 7	(3,306)	(1,620)
CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES	8,616	2,959
INCREASE IN CASH AND EQUIVALENTS FOR YEAR	8,616	2,959
CASH AND EQUIVALENTS - BEGINNING OF YEAR	73,088	70,129
CASH AND EQUIVALENTS - END OF YEAR	81,704	73,088
REPRESENTED BY:		
Cash	81,704	73,088

The accompanying notes form an integral part of these financial statements

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. NATURE OF ORGANIZATION AND OPERATIONS

The Big Rideau Lake Association ("the Association") is incorporated under the Ontario Business Act as a corporation without share capital and is a not-for-profit organization for income tax purposes. As such, it is not subject to corporate income taxes. The mission of the Association is to monitor, maintain and protect the Rideau Lake from Narrows Lock to Poonamalie Lock and its environs, to secure financial support to assist in supporting these goals and to organize and promote educational, recreational and safety programs for the well being of its members.

2. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Association considered to be particularly significant:

(a) Basis of Accounting

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

(b) Accounting Estimates

The preparation of financial statements in conformity 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Measurement of Financial Instruments

(i) Measurement of Financial Instruments

The Association initially measures its financial assets and liabilities at fair value adjusted by, in the case of financial instruments that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost includes cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (Cont'd)

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recorded in excess of revenue over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess of revenue over expenditures up to the impairment amount previously recognized.

(d) Tangible Capital Assets and Amortization

Tangible capital assets are stated at the lower of acquisition cost and its remaining service potential. Equipment, shoal markers, and docks are expensed in the year of acquisition. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. No amortization has been provided in respect of the club house on Cow Island as the cost is materially below its estimated realizable value.

(e) Volunteer Contributions

The work of the Association is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the Association and because of the difficulty of determining their fair market value, donated services are not recognized in these financial statements. Contributed materials and services which are used in the normal course of the Association's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

(f) Revenue Recognition

Revenue from grants and restricted donations are recognized in the same period as the related expenditures are incurred. Revenue from unrestricted donations are recognized when received. Revenue from membership fees is recorded as revenue based on the associated period to which the membership entitlement relates.

(g) Cash and Equivalents

Cash and equivalents consist of cash on deposit and short-term investments with maturities of less than ninety days.

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

2. ACCOUNTING POLICIES (Cont'd)

(h) Fund Accounting

The Association follows the restricted fund method of accounting for revenues.

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources.

Internally restricted funds are comprised of separate funds which report the assets, liabilities, revenues and expenditures within these funds. The resources within these funds are restricted by the Board of Directors of Big Rideau Lake Association. The individual funds which comprise internally restricted funds are described below:

(i) Reserve for Cow Island

This reserve is maintained for the purpose of major repairs or renovations at Cow Island.

(ii) Reserve for Environmental Issues

This reserve is maintained for the purpose of building up a reserve for future environmental issues that the Association may face.

(iii) Reserve for Special Projects

This fund was established using the Association's net share of profit from the sale of the environmental centre. The fund is available for special projects that the Association may choose to undertake in future years.

(iv) Doug Good Shoal Marker Reserve

This reserve was established by donations. This fund is to be utilized for purchase and replacement of shoal markers.

Externally restricted funds are comprised of separate funds which report the assets, liabilities, revenues and expenditures within these funds. The resources within these funds are restricted by donors. The individual fund which comprises externally restricted funds is described below:

(i) Reserve for Sailing School Bursary

This reserve was established by donations. This fund is to be utilized to support sailing school registrations.

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

3. TANGIBLE CAPITAL ASSETS

	2022	2021
	\$	\$
Cow Island		
Land	5,000	5,000
Clubhouse	13,848	13,848
Equipment	1	1
Fire pumps (3) and generator	1	1
Solar equipment	1	1
	18,851	18,851

The fair market value of the Cow Island - land and club house is significantly higher than the cost reported above. During the year the organization purchased a P-Pod for \$1,231. This amount has been expensed in the statement of revenue and expenses.

4. RESTRICTED DONATIONS

The Organization received donations in 2022 of \$1,214 (2021 - \$2,951) to fund environmental activities. During the year the Association received donations for fireworks, other programs and day camp activities. At the the end of the year, \$605 (2021 - \$4,091) of donations had not been utilized for its intended purpose and are available to provide funding for these activities in future years.

	2022	2021
	\$	\$
Day camp		650
Other programs	605	490
Environmental activities		2,951
	605	4,091

5. EXTERNALLY RESTRICTED NET ASSETS

Net assets are externally restricted as follows:

	2022	2021
	\$	\$
Reserve for Sailing School Bursary	1,590	1,590

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

6. INTERNALLY RESTRICTED NET ASSETS

Net assets are internally restricted as follows:

	2022	2021
	\$	\$
Reserve for Cow Island	2,500	2,500
Reserve for Environmental Issues	4,165	NIL
Doug Good Shoal Marker Reserve	14,804	12,954
Reserve for Special Projects	11,500	11,500
	32,969	26,954

During the year, the Board approved a transfer of NIL (2021 - \$4,485) from the Doug Good Shoal Marker Reserve to the Unrestricted Fund, to match related expenses incurred.

7. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS

Cash provided from (used in) non-cash working capital is compiled as follows:

	2022	2021
	\$	\$
(INCREASE) DECREASE IN CURRENT ASSETS		
Prepaid expenses	(271)	(199)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	200	
Restricted donations	(3,486)	(1,071)
Deferred revenue	251	(350)
	(3,035)	(1,421)
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(3,306)	(1,620)

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

8. FINANCIAL INSTRUMENTS

The Association has a comprehensive risk management framework to monitor, evaluate, and manage the principle risks assumed with financial instruments. In the normal course of business, the organization is exposed to a number of risks that can affect its operational performance. These risks are as follows:

Credit Risk

Credit risk is the risk of financial loss to the association if a party to the Association's financial instruments fails to discharge an obligation. The Association does not obtain collateral or other security to support accounts receivable subject to credit risk. The Association mitigates this risk by dealing only with what management believes to be financially sound counter parties, and, accordingly, does not anticipate significant losses. There has been no change to the Association's exposure to this risk compared to previous periods.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet all cash outflow obligations as they come due. The Association mitigates this risk by monitoring cash activities and expected outflows. There has been no change to the Association's exposure to this risk compared to previous periods.

9. CAPITAL DISCLOSURE

The Association's objectives with respect to capital management are to maintain a minimum capital base that allows the Association to continue with and execute its overall purpose as outlined in the fund balances accounting policy in Note 2. The Association's Board of Directors performs periodic reviews of the Association's capital needs to ensure they remain consistent with the risk tolerance that is acceptable to the Association.

**BIG RIDEAU LAKE ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

10. SIGNIFICANTLY INFLUENCED ORGANIZATION

The Association exercises significant influence over Rideau Lake Environmental Foundation (the "Foundation") by virtue of the fact that the members of the Big Rideau Lake Association Board of Directors make up the total general voting membership of the Foundation and as such elect five of the seven directors to the Board of the Foundation annually. Two of the seven directors are nominated by the Upper Rideau Association Board and its nominees are automatically confirmed by the voting membership. The Foundation was established to raise funds for the use by all interested parties, which benefits one or both lakes, under terms and bylaws which govern the disbursement of funds from the Foundation upon a formal request by all interested parties. The requests for funds must meet the following criteria:

- (i) To aid in the protection and maintenance of the waters, shores and environs of the Rideau Lakes, together with any water bodies flowing into or which could affect the water quality of the Rideau Lakes;
- (ii) To encourage the observance of measures designed to prevent pollution and to render such assistance as may be possible to appropriate authorities concerned therewith;
- (iii) To teach and encourage environmentally sound living and boating practices and the observance of provincial and federal laws relating to vessel and ship ownership, operation and navigation; and
- (iv) To examine and advise municipal authorities respecting a need for environmental action to preserve and improve the Rideau Lakes watershed.

The Foundation is incorporated under the Canada Corporations Act and is a registered charity under the *Income Tax Act*.

11. COVID-19

Since the beginning of 2020, the coronavirus disease COVID-19 has had considerable impact, both globally and locally, which has the potential to create financial stress on the economy and the corporation. The amount of financial impacts on the corporation in 2022 could not be determined.

12. COMPARATIVE FIGURES

In order to conform with the financial statement presentation adopted for the current year, certain elements of the comparative figures have been regrouped.