

Financial Statements of

**CAMP QUALITY CANADA**

December 31, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**CAMP QUALITY CANADA**

### Qualified Opinion

We have audited the accompanying financial statements of Camp Quality Canada ("the Organization"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net assets balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible 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 December 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.

### Basis for Qualified Opinion

In common with many charitable organizations, the Organization derives revenue from donations and fundraising, 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 were not able to determine whether any adjustments might be necessary to donations or fundraising revenues, deficiency of revenue over expense and cash flows from operations for the years ended December 31, 2019 and 2018, current assets as at December 31, 2019 and 2018, and net assets as at January 1 and December 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended December 31, 2018 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 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 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.

## **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 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.

TORONTO, Ontario  
May 30, 2020



**Licensed Public Accountants**

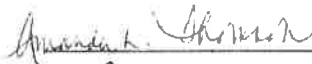
**CAMP QUALITY CANADA**

## Statement of Financial Position

| As at December 31                        | 2019         | 2018<br>(note 9) |
|--|--------------|------------------|
| <b>Assets</b>                            |              |                  |
| Current                                  |              |                  |
| Cash                                     | \$ 175,307   | \$ 284,077       |
| Donations and other receivables          | 117,992      | 28,519           |
| Public service body rebate receivable    | 31,955       | 31,957           |
| Prepaid expense and deposits             | 52,048       | 27,849           |
|  | 377,302      | 372,402          |
| Capital assets (note 3)                  | -            | 422              |
| Investments (note 4)                     | 1,263,578    | 1,386,406        |
|  | \$ 1,640,880 | \$ 1,759,230     |
| <b>Liabilities and Net Assets</b>        |              |                  |
| Current                                  |              |                  |
| Accounts payable and accrued liabilities | \$ 42,318    | \$ 53,794        |
| Deferred contributions (note 5)          | 43,762       | 25,000           |
|  | 86,080       | 78,794           |
| Net assets                               |              |                  |
| Unrestricted                             | 497,559      | 643,132          |
| Internally restricted funds              | 1,057,241    | 1,037,304        |
|  | 1,554,800    | 1,680,436        |
|  | \$ 1,640,880 | \$ 1,759,230     |

Subsequent event (note 7)

On behalf of the Board

 Director Director

See accompanying notes to financial statements

**CAMP QUALITY CANADA**

## Statement of Operations

| Year ended December 31                 | 2019                | 2018                |
|--|---------------------|---------------------|
| Revenue                                |                     |                     |
| Donations                              | \$ 764,261          | \$ 695,634          |
| Fundraising, events and lottery        | 250,187             | 238,605             |
| Interest income                        | 27,193              | 30,355              |
| Other                                  | 7,776               | 16,909              |
| Gifts-in-kind                          | 5,314               | 1,381               |
|  | <b>1,054,731</b>    | <b>982,884</b>      |
| Expense                                |                     |                     |
| Program                                | 724,343             | 725,942             |
| Fundraising and development            | 256,881             | 265,854             |
| Administrative, office and general     | 193,407             | 270,880             |
| Gifts-in-kind                          | 5,314               | 1,381               |
| Amortization                           | 422                 | 843                 |
|  | <b>1,180,367</b>    | <b>1,264,900</b>    |
| Deficiency of revenue over expense     | <b>(125,636)</b>    | <b>(282,016)</b>    |
| Net assets balances, beginning of year | <b>1,680,436</b>    | <b>1,962,452</b>    |
| Net asset balances, end of year        | <b>\$ 1,554,800</b> | <b>\$ 1,680,436</b> |

**CAMP QUALITY CANADA**  
Statement of Changes in Net Assets

| Year ended December 31                             | Internally Restricted |                      |                        |                          |            | Unrestricted | 2019<br>Total | 2018<br>Total |
|--|-----------------------|----------------------|------------------------|--------------------------|------------|--------------|---------------|---------------|
|  | Operating<br>Reserve  | Family<br>Assistance | Program<br>Development | Corporate<br>Development |            |              |               |               |
| Balance, beginning of year                         | \$ 984,977            | \$ 8,469             | \$ 42,243              | \$ 1,615                 | \$ 643,132 | \$ 1,680,436 | \$ 1,962,452  |               |
| Deficiency of revenue over expense<br>for the year | -                     | (13,773)             | -                      | (390)                    | (111,473)  | (125,636)    | (282,016)     |               |
| Transfers  | -                     | 23,000               | -                      | 11,100                   | (34,100)   | -            | -             |               |
| Balance, end of year                               | \$ 984,977            | \$ 17,696            | \$ 42,243              | \$ 12,325                | \$ 497,559 | \$ 1,554,800 | \$ 1,680,436  |               |

See accompanying notes to the financial statements.

**CAMP QUALITY CANADA**  
Statement of Cash Flows

| Year ended December 31                       | 2019         | 2018         |
|--|--------------|--------------|
| Cash provided (used) by operations           |              |              |
| Deficiency of revenue over expense           | \$ (125,636) | \$ (282,016) |
| Items not requiring an outlay of cash:       |              |              |
| Amortization of capital assets               | 422          | 843          |
|  | (125,214)    | (281,173)    |
| Changes in non-cash working capital          |              |              |
| Donations and other receivables              | (89,473)     | 18,305       |
| Public service body rebate receivable        | 2            | 19,457       |
| Prepaid expense and deposits                 | (24,199)     | 155          |
| Accounts payable and accrued liabilities     | (11,476)     | 21,512       |
| Deferred contributions                       | 18,762       | 25,000       |
|  | (106,384)    | 84,429       |
| Cash provided (used) by operating activities | (231,598)    | (196,744)    |
| Cash provided by investing activities        |              |              |
| Redemption of investments (net)              | 122,828      | 169,464      |
| Decrease in cash                             | (108,770)    | (27,280)     |
| Cash, beginning of year                      | 284,077      | 311,357      |
| Cash, end of year                            | \$ 175,307   | \$ 284,077   |

See accompanying notes to financial statements.

# CAMP QUALITY CANADA

Notes to the Financial Statements  
December 31, 2019

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## 1 Organization

Camp Quality Canada ("the Organization") was incorporated under the laws of the Province of Ontario on October 19, 1990, is a registered charitable organization (BN 13342 3962 RR0001) primarily engaged in providing recreational, educational, social and emotional support services to young persons with cancer and their families. The Organization conducts camps, elementary school education programs, retreats, training sessions, reunions and other similar activities and programs.

The Organization operates seven camps across Canada with year-round programs that are run by volunteers, community funded and available at no cost. Week long camping programs take place in Alberta, Manitoba and northwestern, northern, southern and eastern Ontario.

The Organization also operates New Heights Camp which serves high school aged youth from across Canada and Breaking Borders which is an adventure experience for young adults.

The Organization is exempt from income taxes, provided certain requirements are met.

## 2 Summary of significant accounting policies

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

### (a) Basis of accounting

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Internally restricted net assets are not available for unrestricted purposes without approval of the Board of Directors. The internally restricted net assets are comprised of the following:

- (i) The Operating Reserve Fund was established to provide for unexpected events, losses of income and unbudgeted expenses;
- (ii) The Family Assistance Fund was established to assist those families with financial need;
- (iii) The Program Development Fund was established for the development or improvement of programs; and,
- (iv) The Corporate Development Fund was established for improving capacity in non-program related areas, including revenue development and administrative improvements.

### (b) Revenue recognition

Restricted and unrestricted contributions are recognized as revenue in the year received or receivable if the amount receivable can be reasonably estimated and collection is reasonably assured. Externally restricted contributions received for which a fund has not been established are deferred and reported as revenue in the year in which the related expenses are recognized.

Investment income is recognized on an accrual basis.

Fundraising and event revenue is recognized in the year in which the fundraising event takes place.

Lottery revenue is recognized in the year in which the final draw takes place.



## **CAMP QUALITY CANADA**

Notes to the Financial Statements

December 31, 2019

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### **2 Summary of significant accounting policies (continued)**

#### **(b) Revenue recognition (continued)**

The Organization may be the beneficiary under various wills and trust agreements. The total realizable amounts are not at present readily determinable. The Organization recognizes such bequests when the proceeds are received.

#### **(c) Cash**

Cash includes cash on deposits with financial institutions and petty cash.

#### **(d) Capital assets**

The Organization records capital assets at cost less accumulated amortization. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. Capital assets donated to the Organization are recorded at their fair market value on the date of acquisition when fair value can be reasonably estimated.

A capital 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 in the statement of operations 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 capital asset exceeds its fair value. An impairment loss is not reversed if the fair value of the capital asset subsequently increases. As at December 31, 2019, no such impairment exists.

Capital assets consist of a trailer which is being depreciated over its estimated useful life of 10 years on a straight-line basis.

#### **(e) Investments**

Investments include guaranteed investment certificates (GICs), money market funds and certificates of deposit. These investments are measured at amortized cost which approximates market value.

#### **(f) Contributed goods and services**

The value of goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Organization. Since the fair value of volunteer time cannot be reliably estimated, these contributed services are not recognized in the financial statements.

#### **(g) Allocations**

Management makes estimates to allocate certain management and administrative salaries among program expenses, administration and fundraising according to the activity to which they benefit. The basis of allocation is assessed periodically and may be revised according to circumstances prevailing from time to time.

Administrative and fundraising expenses are incurred to operate the Organization and its programs in a cost-effective manner while maximizing all opportunities to further the Organization's mission.

**2 Summary of significant accounting policies (continued)**

(h) Financial instruments

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

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

When there is an indication of impairment or such an impairment is determined to have occurred, the carrying amount of financial assets is reduced by the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of that asset. If the circumstances that led to the Organization recording an impairment improve and management determines that all or a portion of the impairment can be recovered, the impairment is reversed up to the amount that the financial asset would have otherwise been recorded at on the reversal date.

(i) Use of 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 amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**3 Capital assets**

| As at December 31 | 2019     |                             | 2018     |                             |
|-------------------|----------|-----------------------------|----------|-----------------------------|
|                   | Cost     | Accumulated<br>Amortization | Cost     | Accumulated<br>Amortization |
| Trailer           | \$ 8,435 | \$ 8,435                    | \$ 8,435 | \$ 8,013                    |
| Net book value    |          | \$ -                        |          | \$ 422                      |

**4 Investments**

| As at December 31   | 2019                |  | 2018                |  |
|---|---------------------|--|---------------------|--|
| Guaranteed investment certificates bearing interest rates from 1.55% to 3.06%<br>(2018 - 1.45% to 3.06%) and maturity dates ranging from January 22, 2020 to<br>July 24, 2023 (2018 - July 22, 2019 to July 24, 2023) | \$ 1,086,434        |  | \$ 1,258,846        |  |
| Money market funds  | 177,144             |  | 127,560             |  |
|   | <b>\$ 1,263,578</b> |  | <b>\$ 1,386,406</b> |  |

Included in investments is a GIC in the amount of \$70,000 which was purchased as security for the corporate credit cards, and therefore is not available for use by the Organization.

**CAMP QUALITY CANADA**  
Notes to the Financial Statements  
December 31, 2019

**5 Deferred contributions**

Deferred contributions is comprised of the unspent portion of restricted program funding and other restricted contributions.

|                                   | Program |          | Other |        | 2019      | 2018      |
|-----------------------------------|---------|----------|-------|--------|-----------|-----------|
| Balance, beginning of year        | \$      | 25,000   | \$    | -      | \$ 25,000 | \$ -      |
| Received during the year          |         | 25,000   |       | 18,762 | 43,762    | 25,000    |
| Recognized as revenue in the year |         | (25,000) |       | -      | (25,000)  | -         |
| Balance, end of year              | \$      | 25,000   | \$    | 18,762 | \$ 43,762 | \$ 25,000 |

**6 Allocated expenses**

Certain general and administrative costs totaling \$557,851 (2018 - \$662,457) are allocated based on management's best estimate, of salaries and benefits \$409,391 (2018 - \$489,519) and cost of materials \$148,460 (2018 - \$172,938), to the activities which they benefit.

General and administrative expenses have been allocated as follows:

|                                    | 2019 |         | 2018 |         |
|------------------------------------|------|---------|------|---------|
| Program                            | \$   | 256,774 | \$   | 274,527 |
| Fundraising and development        |      | 180,020 |      | 179,208 |
| Administrative, office and general |      | 121,057 |      | 208,722 |
|                                    | \$   | 557,851 | \$   | 662,457 |

**7 Subsequent event**

Governments have enacted emergency legislation in response to the declaration of COVID-19 as a pandemic, causing business disruption and economic slowdown. In response to social distancing requirements and in consideration of the safety of participants and volunteers of the Organization, all fundraising events for the spring and summer of 2020 and all in-person camps for the summer of 2020 have been cancelled.

The duration and impact of the COVID-19 outbreak is unknown at this time and accordingly it is not possible to reliably estimate the financial impact of the COVID-19 pandemic on the results of operations and financial condition of the Organization in future periods.

## **CAMP QUALITY CANADA**

Notes to the Financial Statements  
December 31, 2019

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### **8 Financial instruments**

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations.

To manage these risks and its capital, the Organization has established investment guidelines formulated to embrace the generally accepted concepts of security of principal, maximization of return and maintaining liquidity appropriate to the anticipated timing of cash flow requirements. The Organization is not subject to any externally imposed capital requirements.

#### **Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk through its cash, donations and other receivables and investments.

Cash on deposit at financial institutions exceed the maximum amount insured and hence there is a concentration of credit risk.

Donations and other receivables are diversified but unsecured.

Credit risk related to investments is minimized by ensuring that these assets are invested in credit-worthy parties.

#### **Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due. The Organization expects to meet its obligations by managing its working capital and generating sufficient cash flows from operations.

#### **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 is comprised of currency risk, interest rate risk and other price risk.

The Organization is not exposed to currency risk or other price risk.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is subject to interest rate risk to the extent that cash on deposit with a financial institution and investments earn interest at market rates.

Fluctuations in market rates of interest on cash do not have a significant impact on the Organization's results of operations.

#### **Changes in risk**

There have been no significant changes in the Organization's risk exposures from the prior year.

### **9 Comparative figures**

Certain comparative figures for 2018 have been reclassified to conform with the financial statement presentation adopted for the current year.