

Financial Statements of

CAMP QUALITY CANADA

December 31, 2020

D C Tinkham FCPA FCA CMC LPA
P J Brocklesby CPA CA LPA
M Y Tkachenko CPA CA
M W G Rooke CPA CA LPA
A C Callas CPA CA LPA
G P Kroepelin CPA
J X Wu CPA

300 - 2842 Bloor Street West
Toronto Ontario M8X 1B1
Canada

TEL 1 416 233 2139
TOLL FREE 1 877 283 3305
FAX 1 416 233 1788

TINKHAMCPA.COM

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, 2020, and the statements of operations, changes in net assets 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, 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.

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, excess (deficiency) of revenue over expense and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2019 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
June 5, 2021



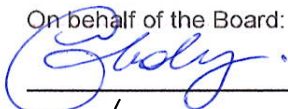
Licensed Public Accountants

CAMP QUALITY CANADA

Statement of Financial Position

As at December 31	2020	2019
Assets		
Current		
Cash	\$ 349,674	\$ 175,307
Donations and other receivables	29,661	117,992
Public service body rebate receivable	11,478	31,955
Prepaid expense and deposits	18,859	52,048
	409,672	377,302
Investments (note 4)	1,359,122	1,263,578
	\$ 1,768,794	\$ 1,640,880
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 43,861	\$ 42,318
Deferred contributions (note 5)	111,445	43,762
	155,306	86,080
Net assets		
Unrestricted	298,511	497,559
Internally restricted funds (note 6)	1,314,977	1,057,241
	1,613,488	1,554,800
	\$ 1,768,794	\$ 1,640,880
Commitments (note 9)		

On behalf of the Board:



Director

Director

See accompanying notes to financial statements.

CAMP QUALITY CANADA

Statement of Operations

Year ended December 31	2020	2019
Revenue		
Donations	\$ 463,842	\$ 764,261
Government subsidies (note 7)	159,382	7,776
Investment income	28,776	27,193
Fundraising, events and lottery	24,986	250,187
Other	3,953	-
Gifts-in-kind	-	5,314
	680,939	1,054,731
Expense		
Program	295,662	724,343
Fundraising and development	174,678	256,881
Administrative, office and general	151,911	193,407
Gifts-in-kind	-	5,314
Amortization	-	422
	622,251	1,180,367
Excess (deficiency) of revenue over expense	58,688	(125,636)
Net assets balances, beginning of year	1,554,800	1,680,436
Net asset balances, end of year	\$ 1,613,488	\$ 1,554,800

See accompanying notes to financial statements.

CAMP QUALITY CANADA
Statement of Changes in Net Assets

Year ended December 31	Internally Restricted					2020 Total	2019 Total
	Operating Reserve	Family Assistance	Program Development	Corporate Development	Unrestricted		
Balance, beginning of year	\$ 984,977	\$ 17,696	\$ 42,243	\$ 12,325	\$ 497,559	\$ 1,554,800	\$ 1,680,436
Excess (deficiency) of revenue over expense for the year	-	-	-	-	58,688	58,688	(125,636)
Transfers (note 6)	-	12,304	107,757	137,675	(257,736)	-	-
Balance, end of year	\$ 984,977	\$ 30,000	\$ 150,000	\$ 150,000	\$ 298,511	\$ 1,613,488	\$ 1,554,800

See accompanying notes to the financial statements.

CAMP QUALITY CANADA

Statement of Cash Flows

Year ended December 31	2020	2019
Cash provided (used) by operations		
Excess (deficiency) of revenue over expense	\$ 58,688	\$ (125,636)
Items not requiring an outlay of cash:		
Amortization of capital assets	-	422
	58,688	(125,214)
Changes in non-cash working capital		
Donations and other receivables	88,331	(89,473)
Public service body rebate receivable	20,477	2
Prepaid expense and deposits	33,189	(24,199)
Accounts payable and accrued liabilities	1,543	(11,476)
Deferred contributions	67,683	18,762
	211,223	(106,384)
Cash provided (used) by operating activities	269,911	(231,598)
Cash provided (used) by investing activities		
Redemption (purchase) of investments (net)	(95,544)	122,828
Increase (decrease) in cash	174,367	(108,770)
Cash, beginning of year	175,307	284,077
Cash, end of year	\$ 349,674	\$ 175,307

See accompanying notes to financial statements.

CAMP QUALITY CANADA

Notes to the Financial Statements

December 31, 2020

1 Organization

Camp Quality Canada ("the Organization") was incorporated under the laws of the Province of Ontario on October 19, 1990, and 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 six camps across Canada with year-round and virtual 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. However, in-person summer camp programs have been transitioned to a virtual Camp at Home program for 2020 due to the COVID-19 pandemic. The Organization also operates Breaking Borders which is an adventure experience for young adult cancer survivors.

The Organization is exempt from income taxes.

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) Revenue recognition

(i) Contributions

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.

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.

(ii) Investment income

Investment income is recognized on an accrual basis. Investment income comprises interest from cash and investments, dividend income, realized gains and losses on the sale of investments and unrealized gains and losses on investments held.

(iii) Bequests

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.

(iv) Government subsidies

Government subsidies are recorded as revenue in the financial statements when there is reasonable assurance that the Organization has complied with, and will continue to comply with, all conditions necessary to obtain the subsidies.

(b) Cash

Cash includes cash on deposit with financial institutions.

CAMP QUALITY CANADA

Notes to the Financial Statements

December 31, 2020

2 Summary of significant accounting policies (continued)

(c) 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.

Capital assets consist of a trailer which has been depreciated over its estimated useful life of 10 years.

(d) 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.

(e) Allocated expenses

Management makes estimates to allocate certain management and administrative expenses among program, administration and fundraising expenses 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.

(f) 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, except for equity instruments that are quoted in an active market, which are measured at fair value.

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. There are no indications of impairment as at December 31, 2020.

(g) 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.

CAMP QUALITY CANADA
Notes to the Financial Statements
December 31, 2020

3 Capital assets

As at December 31	2020		2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Trailer	\$ 8,435	\$ 8,435	\$ 8,435	\$ 8,435
Net book value		\$ -		\$ -

4 Investments

As at December 31	2020		2019	
Guaranteed investment certificates ("GICs") bearing interest rates from 1.86% to 3.06% (2019 - 1.55% to 3.06%) and maturing on dates ranging from February 1, 2021 to July 24, 2023 (2019 - January 22, 2020 to July 24, 2023)	\$ 980,357			\$ 1,086,434
Money market funds	145,576			177,144
Common shares and exchange traded funds	233,189			-
	\$ 1,359,122		\$ 1,263,578	

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.

5 Deferred contributions

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

	Program		Other		2020		2019	
Balance, beginning of year	\$ 25,000		\$ 18,762		\$ 43,762		\$ 25,000	
Received during the year	87,400		-		87,400		43,762	
Recognized as revenue in the year	(17,125)		(2,592)		(19,717)		(25,000)	
Balance, end of year	\$ 95,275		\$ 16,170		\$ 111,445		\$ 43,762	

CAMP QUALITY CANADA

Notes to the Financial Statements
December 31, 2020

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

During the year, the Board of Directors approved transfers from unrestricted net assets to internally restricted funds totaling \$257,736 to replenish the funds for continuation of family assistance, program development, and corporate development strategies.

7 Government subsidies

(a) Federal government wage subsidies

As a Canadian employer who experienced a decline in revenue due to the COVID-19 pandemic, the Organization received government assistance in the form of the Canadian Emergency Wage Subsidy totaling \$134,712. Additionally, the Organization received \$7,295 through the 10% Temporary Wage Subsidy.

(b) Other wage subsidies

The Organization received \$17,375 (2019 - \$7,776) of wage subsidies from the Northern Ontario Heritage Fund Corporation.

8 Allocated expenses

Certain general and administrative costs totaling \$442,849 (2019 - \$557,851) are allocated based on management's best estimate of the activities which they benefit. Allocated expenses consist of salaries and benefits \$408,277 (2019 - \$409,391) and cost of materials \$34,572 (2019 - \$148,460).

General and administrative expenses have been allocated as follows:

	2020	2019
Program	\$ 206,732	\$ 256,774
Fundraising and development	142,316	180,020
Administrative, office and general	93,801	121,057
	\$ 442,849	\$ 557,851

9 Commitments

(a) Office lease

The Organization has entered into a lease agreement for office space that extends until November 30, 2023.

The minimum annual rent payments, excluding HST, to expiry of the lease are as follows:

2021	\$	8,087
2022		8,249
2023		<u>7,700</u>
Total	\$	<u>24,036</u>

The lease includes an option to extend for an additional two year at the option of the Organization.

(b) Service contract

The Organization has entered into a service contract for raffle ticket sales expiring December 31, 2021 and requiring minimum payments totaling \$15,000.

10 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.

CAMP QUALITY CANADA

Notes to the Financial Statements
December 31, 2020

10 Financial instruments

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.

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.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments in the market.

The Organization is exposed to other price risk through its investment in common shares and exchange traded funds.

Changes in risk

Other than for the increase in other price risk associated with the Organization's investment in common shares and exchange traded funds, there have been no significant changes in the Organization's risk exposures from the prior year.