Camp Quality Canada
Financial Statements
December 31, 2022

To the Board of Directors of Camp Quality Canada:

Qualified Opinion

We have audited the financial statements of Camp Quality Canada (the "Organization"), which comprise the statement of financial position as at December 31, 2022, 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, 2022, and its financial performance 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 not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the donation and fundraising revenue and excess of revenue over expenditures and cash flows from operations for the years ended December 31, 2022 and December 31, 2021;
- the current assets reported in the statements of financial position as at December 31, 2022 and December 31, 2021;
- the net assets for the years ended December 31, 2022 and December 31, 2021.

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 qualified 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 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.

MNP LLP

Toronto, Ontario

Chartered Professional Accountants

Licensed Public Accountants

June 23, 2023

Camp Quality Canada
Statement of Financial Position
As at December 31, 2022

	2022	2021
Assets		
Current		
Cash	**286,789**	301,097
Donations and other receivables *(Note 6)*	**57,519**	15,431
Public service body rebate receivable	**27,571**	12,554
Prepaid expenses and deposits	**28,091**	14,551
Current portion of investments *(Note 3)*	**672,224**	363,415
	1,072,194	707,048
Investments *(Note 3)*	**719,495**	1,048,241
	1,791,689	1,755,289
Liabilities		
Current		
Accounts payable and accrued liabilities	**45,715**	32,062
Deferred contributions *(Note 4)*	**103**	24,476
	45,818	56,538
Commitment *(Note 7)*		
Net Assets		
Unrestricted net assets	**430,894**	383,774
Internally restricted funds *(Note 5)*	**1,314,977**	1,314,977
	1,745,871	1,698,751
	1,791,689	1,755,289

Approved on behalf of the Board

[Signed]
Director

[Signed]
Director

The accompanying notes are an integral part of these financial statements.

Camp Quality Canada
Statement of Operations
For the year ended December 31, 2022

	2022	*2021*
Revenue		
Donations *(Note 4)*	**730,251**	472,089
Fundraising, events and lottery	**195,700**	83,795
Government subsidies *(Note 6)*	**73,246**	88,529
Other income	**1,958**	804
Investment income (loss) *(Note 3)*	**(18,464)**	85,715
	982,691	730,932
Expenses		
Program *(Note 8)*	**624,559**	312,737
Administrative, office, and general *(Note 8)*	**174,368**	199,765
Fundraising and development *(Note 8)*	**136,644**	133,167
	935,571	645,669
Excess of revenue over expenses	**47,120**	85,263

The accompanying notes are an integral part of these financial statements.

	Operating Reserve	*Family Assistance*	*Program Development*	*Corporate Development*	*Unrestricted*	*2022 Total*	*2021 Total*
Net assets, beginning of year	**984,977**	**30,000**	**150,000**	**150,000**	**383,774**	**1,698,751**	1,613,488
Excess of revenue over expenses	**-**	**-**	**-**	**-**	**47,120**	**47,120**	85,263
Net assets, end of year	**984,977**	**30,000**	**150,000**	**150,000**	**430,894**	**1,745,871**	1,698,751

The accompanying notes are an integral part of these financial statements.

Camp Quality Canada
Statement of Cash Flows
For the year ended December 31, 2022

	2022	*2021*
Cash provided (used for) by the following activities		
Operating		
Excess of revenue over expenses	**47,120**	85,263
Unrealized (gain) loss on investments	**44,114**	(54,234)
	91,234	31,029
Changes in non-cash working capital accounts:		
Donations and other receivables	**(42,088)**	14,230
Public service body rebate receivable	**(15,017)**	(1,076)
Prepaid expenses and deposits	**(13,540)**	4,308
Accounts payable and accrued liabilities	**13,653**	(11,799)
Deferred contributions	**(24,373)**	(86,969)
	9,869	(50,277)
Investing		
Purchase of investments	**(309,177)**	(365,839)
Proceeds on redemption of investments	**285,000**	367,539
	(24,177)	1,700
Decrease in cash	**(14,308)**	(48,577)
Cash, beginning of year	**301,097**	349,674
Cash, end of year	**286,789**	301,097

The accompanying notes are an integral part of these financial statements.

1. Incorporation and nature of the 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 support services for children with cancer and their families. The Organization conducts camp based programming including summer in-person and virtual camps, off-season weekend retreats and reunions, and year round community based programs for the entire family.

The Organization operates camps in Ontario, Manitoba and Alberta with year round and virtual programs that are run by volunteers, community funded and available at no cost to families affected by childhood cancer.

The Organization is exempt from income taxes.

2. Significant accounting policies

Basis of accounting

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

Revenue recognition

Contributions

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

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.

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 with prices quoted in an active market.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Bequests

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

Government subsidies

Government subsidies are recognized where there is reasonable assurance that the Organization qualifies for such subsidies and they will be received. Government subsidies are recognized as revenue over the periods in which the expenses are incurred for which the subsidies are intended to compensate.

2. Significant accounting policies *(Continued from previous page)*

Contributed goods and services

Contributions of goods and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the goods and services are used in the normal course of the Organization's operations and would otherwise have been purchased.

Volunteers contribute their invaluable services to assist the Organization in carrying out its activities. Due to the difficulty in determining their fair value, volunteer services are not recognized in the financial statements.

Investments

Investments are in portfolio investments, guaranteed investment certificates ("GICs"), and money market funds. Portfolio investments are recorded at fair value for those with prices quoted in an active market, and GICs and money market funds are at cost less impairment. They have been classified as short-term and long-term assets in concurrence with the nature of the investment.

Allocation of expenses

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

Administrative, general, and office and fundraising and development 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.

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm’s length financial instrument at fair value. The Organization has made such an election during the year. The investment in guaranteed investment certificates and publicly traded securities have been designated to be subsequently measured at their fair value. Fair value is determined by the redemption amount of fund units that is determined by the fund manager based on the estimate fair value of the fund's securities.

The Organization subsequently measures investments in equity instruments quoted in an active market. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. Investments in term deposits and other debt securities are subsequently measured at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (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 amounts of revenues and expenses during the reporting period.

Donations and other receivables are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Investments

	2022	*2021*
Current portion of investments		
Money market funds	**672,224**	363,415
Long-term investments		
Guaranteed investments certificate ("GICs") bearing interest from 0.50% to 3.06% (2021 - 0.30% to 3.06%) and maturing on dates ranging from January 26, 2023 to June 9, 2026 (2021 - July 25, 2022 to June 9, 2026)	**396,916**	684,405
Common shares and exchange traded funds	**322,579**	363,836
	719,495	1,048,241
	1,391,719	1,411,656

3. Investments *(Continued from previous page)*

	2022	*2021*
Investment income (loss)		
Unrealized gain (loss) on investments in common shares and exchange traded funds	**(44,114)**	54,234
Interest income	**25,650**	31,481
	(18,464)	85,715

Included in investments is a GIC in the amount of $75,185 (2021 - $75,185) which was purchased as security for the corporate credit cards, and therefore is not available for use by the Organization.

4. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for delivery of youth camp programs and other contributions. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Programs	*Other*	*2022*	*2021*
Balance, beginning of year	**11,000**	**13,476**	**24,476**	111,445
Amount received during the year	**-**	**103**	**103**	11,000
Less: Amount recognized as revenue during the year	**(11,000)**	**(13,476)**	**(24,476)**	(97,969)
	-	**103**	**103**	24,476

5. 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 of $Nil (2021 – $Nil) to replenish the funds for continuation of family assistance, program development and corporate development strategies.

6. Government subsidies

	2022	2021
Tourism and Hospitality Recovery Program ("THRP")	**48,482**	-
Canada Summer Jobs Subsidy	**23,350**	-
Canada Recovery Hiring Program	**1,414**	-
Canada Emergency Wage Subsidy ("CEWS")	**-**	84,313
Canada Emergency Rent Subsidy ("CERS")	**-**	4,216
	73,246	88,529

Included in donations and other receivables is $Nil and $Nil (2021 - $4,770 and $264) relating to CEWS and CERS, respectively.

7. Commitment

The Organization has entered into a lease agreement for office space, which expires November 30, 2023 with a minimum annual rent as follows:

2023	8,003

8. Allocation of expenses

Certain general and administrative costs totaling $514,015 (2021 - $376,260) have been allocated based on management's estimate of the activities which they benefit. Allocated expenses consist of salaries and wages of $440,105 (2021 - $339,735) and cost of materials of $73,910 (2021 - $36,525).

General and administrative expenses have been allocated as follows:

	2022	2021
Program	**329,474**	196,738
Administrative, office, and general	**100,108**	115,365
Fundraising and development	**84,433**	64,157
	514,015	376,260

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk 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 donations and other receivables. The Organization manages its credit risk through management of its donations and other receivables and maintaining cash and investments with large reputable financial institutions.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting 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 its operations.

9. Financial instruments *(Continued from previous page)*

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 value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk and price risk with respect to its investment in money market funds and guaranteed investment certificates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization’s investment in common shares and exchange traded funds exposes the Organization to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.