

CAMP HEALTH, HOPE & HAPPINESS SOCIETY
Financial Statements
Year Ended December 31, 2020

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Index to Financial Statements

Year Ended December 31, 2020

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 12





Professional Corporation
Chartered Professional Accountants

10250A 176 Street
Edmonton, Alberta T5S 1L2
Email: info@hcprofessionalcorporation.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Camp Health, Hope & Happiness Society

Qualified Opinion

We have audited the financial statements of Camp Health, Hope & Happiness Society (the Society), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, 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 Society 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 not-for-profit organizations, the Society derives revenue from 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020.

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 Society 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit 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 Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

(continues)

Independent Auditor's Report to the Members of Camp Health, Hope & Happiness Society *(continued)*

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

Stony Plain, AB
April 26, 2021

HC Professional Corporation

HC PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

CAMP HEALTH, HOPE & HAPPINESS SOCIETY**Statement of Revenues and Expenditures****Year Ended December 31, 2020**

	2020	2019
REVENUES		
Donations and sponsorships	\$ 618,134	\$ 786,587
Amortization of deferred capital contributions	190,590	174,948
Government assistance and work programs	162,882	82,037
Camp rentals	98,529	515,532
Special events and projects	91,424	247,112
Sundry and tuck shop	3,442	27,153
Camp fees	-	477,418
	<u>1,165,001</u>	<u>2,310,787</u>
EXPENSES		
Amortization	305,625	286,218
Automotive and travel	14,235	30,566
Food	17,267	118,953
Goods and services tax	8,730	18,461
Housekeeping	5,326	54,865
Insurance and licenses	43,865	41,869
Interest and bank charges	13,125	4,440
Office administration	26,710	38,904
Professional fees	13,000	11,600
Public relations and promotions	926	2,911
Repairs and maintenance	35,496	265,133
Salaries and wages	495,390	1,140,456
Special projects	27,951	68,620
Staff development and training	377	15,046
Supplies	11,262	16,159
Telephone and utilities	106,723	121,307
	<u>1,126,008</u>	<u>2,235,508</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>38,993</u>	<u>75,279</u>
OTHER INCOME (EXPENSES)		
Interest income	5,487	23,750
Life insurance premiums donated	(87,000)	-
	<u>(81,513)</u>	<u>23,750</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (42,520)</u>	<u>\$ 99,029</u>

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2020

	Unrestricted net assets	Net assets invested in capital assets	Net assets internally restricted for special projects	2020	2019
NET ASSETS - BEGINNING OF YEAR	\$ 889,940	\$ 250,011	\$ 1,750,035	\$ 2,889,986	\$ 2,790,957
DEFICIENCY OF REVENUES OVER EXPENSES	72,516	(115,036)	-	(42,520)	99,029
NET ASSETS - END OF YEAR	\$ 962,456	\$ 134,975	\$ 1,750,035	\$ 2,847,466	\$ 2,889,986

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

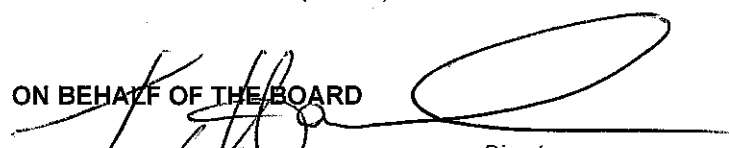
Statement of Financial Position

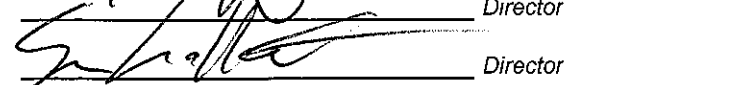
December 31, 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT		
Cash	\$ 2,221,683	\$ 2,248,324
Term deposits (Note 4)	1,054,331	1,043,548
Goods and services tax recoverable	1,400	-
Interest receivable	1,647	7,821
Prepaid expenses	48,122	43,462
Inventory	26,801	32,205
	<u>3,353,984</u>	<u>3,375,360</u>
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>2,795,459</u>	<u>2,951,926</u>
	<u>\$ 6,149,443</u>	<u>\$ 6,327,286</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,522	\$ 26,271
Goods and services tax payable	-	337
Deposits received	13,598	9,508
Wages payable	59,985	75,487
Current portion of long term debt (Note 6)	9,527	9,055
Current portion of deferred capital contributions (Note 7)	165,960	161,304
Deferred contributions	474,910	480,181
	<u>750,502</u>	<u>762,143</u>
LONG TERM DEBT (Note 6)	8,447	17,974
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	<u>2,543,028</u>	<u>2,657,183</u>
	<u>3,301,977</u>	<u>3,437,300</u>
NET ASSETS		
Unrestricted net assets	962,456	889,940
Net assets invested in capital assets	134,975	250,011
Net assets internally restricted for special projects	1,750,035	1,750,035
	<u>2,847,466</u>	<u>2,889,986</u>
	<u>\$ 6,149,443</u>	<u>\$ 6,327,286</u>

LEASE COMMITMENTS (Note 9)

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY**Statement of Cash Flows****Year Ended December 31, 2020**

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (42,520)	\$ 99,029
Item not affecting cash:		
Amortization of property, plant and equipment (Note 5)	<u>305,625</u>	<u>286,218</u>
	<u>263,105</u>	<u>385,247</u>
Changes in non-cash working capital:		
Interest receivable	6,174	(4,661)
Prepaid expenses	(4,660)	(4,760)
Inventory	5,404	3,538
Accounts payable and accrued liabilities	250	(19,514)
Goods and services tax payable	(1,737)	955
Deposits received	4,090	(6,619)
Wages payable	(15,502)	(6,263)
Deferred contributions	4,657	198,181
Deferred capital contributions	<u>(119,426)</u>	<u>102,052</u>
	<u>(120,750)</u>	<u>262,909</u>
Cash flow from operating activities	<u>142,355</u>	<u>648,156</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(149,158)	(160,428)
Net change of investments	<u>(10,783)</u>	<u>(137,145)</u>
Cash flow used by investing activities	<u>(159,941)</u>	<u>(297,573)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(9,055)</u>	<u>(8,606)</u>
INCREASE (DECREASE) IN CASH	(26,641)	341,977
Cash - beginning of year	<u>2,248,324</u>	<u>1,906,347</u>
CASH - END OF YEAR	<u>\$ 2,221,683</u>	<u>\$ 2,248,324</u>

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

1. PURPOSE OF THE SOCIETY

Camp Health, Hope & Happiness Society (the "Society") is incorporated provincially under the Not-for-profit Corporations Act of Alberta as a not-for-profit organization and is a registered charity under the Income Tax Act.

The Society operates a facility to provide activities for disabled children and adults.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income taxes

The Society is a charity exempt from the payment of income tax under section 149(1)(e) of the Income Tax Act and is therefore not taxable on its income.

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Maintenance shop	5%	declining balance method
Buildings	5%	declining balance method
Parking lot	8%	declining balance method
Equipment	20%	declining balance method
Furniture and fixtures	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	45%	declining balance method
Climbing wall and rope course	10 years	straight-line method
Playground	10 years	straight-line method
Septic system	20 years	straight-line method
Water system	20 years	straight-line method

The Society regularly reviews its property, plant and equipment to eliminate obsolete items. Government grants are treated as a reduction of property, plant and equipment cost.

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Contributed capital assets are recorded at fair value at the date of the contribution.

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CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Net assets

- a) Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the unamortized amount of property and equipment purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Revenue recognition

Camp Health, Hope & Happiness Society 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. Endowment contributions are recognized as direct increases in net assets.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Fund accounting

Camp Health, Hope & Happiness Society follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund. The fund reports unrestricted resources.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to Camp Health, Hope & Happiness Society's capital assets and building improvements campaign.

The Internally restricted net asset funds have been designated for a specific purpose by the organization's Board of Directors.

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CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

4. TERM DEPOSITS

All term deposits consist of guaranteed investment certificates with interest rates of .32% and .35% with varying redemption dates in 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Buildings	\$ 5,010,040	\$ 3,385,364	\$ 1,624,676	\$ 1,760,283
Climbing wall and rope course	95,343	94,674	669	765
Computer equipment	72,401	69,245	3,156	4,480
Equipment	770,796	686,225	84,571	102,952
Furniture and fixtures	137,390	96,006	41,384	46,854
Motor vehicles	562,004	404,970	157,034	81,920
Maintenance shop	542,451	256,660	285,791	300,832
Parking lot	434,637	213,815	220,822	240,024
Playground	40,384	40,384	-	-
Septic system	710,528	352,055	358,473	393,360
Water system	31,471	12,588	18,883	20,456
	<u>\$ 8,407,445</u>	<u>\$ 5,611,986</u>	<u>\$ 2,795,459</u>	<u>\$ 2,951,926</u>

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

6. LONG TERM DEBT

	<u>2020</u>	<u>2019</u>
Honda Financial Services loan bearing interest at 5.084% per annum, repayable in semi-monthly blended payments of \$393. The loan matures on October 27, 2022 and is secured by Honda Odyssey.	\$ 17,974	\$ 27,029
Amounts payable within one year	<u>(9,527)</u>	<u>(9,055)</u>
	<u>\$ 8,447</u>	<u>\$ 17,974</u>

Principal repayment terms are approximately:

2021	\$ 9,527
2022	<u>8,447</u>
	<u>\$ 17,974</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 2,818,487	\$ 2,716,435
Contributions received	81,093	277,000
Amortization of deferred capital contributions	<u>(190,590)</u>	<u>(174,948)</u>
	<u>\$ 2,708,990</u>	<u>\$ 2,818,487</u>

Deferred capital contributions represent externally restricted contributions for the purchase of capital assets.

8. RELATED PARTY TRANSACTIONS

During the year, services were rendered by a Board member totaling \$nil (2019 - \$1,800). The account affected was professional fees.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

9. LEASE COMMITMENTS

The Society has a long term lease with respect to a printer. Future minimum lease payments as at December 31, 2020, are as follows:

2021	\$	3,180
2022		3,180
2023		3,180
2024		530
		<hr/>
	\$	10,070

The Society is situated on land leased from the Province of Alberta under an assignment from the Alberta Rehabilitation Council for the disabled. The lease requires annual payments of \$1 and expires June 1, 2026.

10. ENDOWMENT FUNDS

In 2004, the Society entered into an agreement with the Edmonton Community Foundation to establish an Endowment Fund at the Edmonton Community Foundation named "Camp Health, Hope & Happiness Society Funds". In 2007, \$185,000 was contributed from the endowment fund to this fund with the Edmonton Community Foundation. The net income of the fund shall be disbursed at least once annually by the Edmonton Community Foundation to the Society. No amount will be available for disbursement until the following anniversary date of the establishment of the fund. Net income is defined as four and one half percent (4.5%) of the market value of each fund at the prior fiscal year end.

Endowment funds received in 2020 were \$ 15,337 (2019 - \$14,353) from the Edmonton Community Foundation.

In 2008, Crystal Glass established a private endowment to the Society in the amount of \$100,000. These funds will remain under the control of Crystal Glass with interest payments beginning in June of 2009. Interest received in 2020 was \$3,300 (2019 - \$3,104).

11. LETTER OF GUARANTEE

An irrevocable letter of guarantee has been issued by ATB Financial in favour of Alberta Sustainable Resource Development to a maximum of \$30,000. This letter of guarantee took effect July 9, 2002 and is automatically extended from year to year unless notification is made in writing of its cancellation. The letter of guarantee was made on behalf of the Society as a condition to renew its recreational lease. The purpose of the letter of guarantee is to provide a security deposit to ensure reclamation of the site.

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

12. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUND-RAISING ACT AND REGULATION

Gross contributions received were \$516,041 (2019 - \$686,790).

Gross contributions received were disposed as follows:

- Management and administration 21% (2019 - 27%)
- Charitable programs 75% (2019 - 69%)
- Fundraising 4% (2019 - 4%)

Dispositions of contributions that is equal to or exceeds 10% of the gross contributions received were as follows:

- Management and administration 21% (2019 - 28%)
- Charitable programs 75% (2019 - 68%)

All expenses incurred for the purposes of soliciting contributions were \$27,951 (2019 - \$68,620).

No remunerations were paid to employees whose principal duties involve fund-raising.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

14. IMPACT OF COVID-19

The impact of COVID-19 in Canada and on the global economy increased significantly. The global pandemic has disrupted economic activities and supply chains. The Society expects to see the effects through a decrease in future donations and sales. The Society's ability to continue to meet obligations as they come due is dependent on its continued ability to generate earnings and cash flows. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time.
