

CAMP HEALTH, HOPE & HAPPINESS SOCIETY
Financial Statements
Year Ended December 31, 2021

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

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Year Ended December 31, 2021

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Professional Corporation
Chartered Professional Accountants

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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, 2021, 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, 2021, 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, 2021, current assets and net assets as at 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 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.

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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.

HC Professional Corporation

Stony Plain, AB
June 10, 2022

HC PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Statement of Revenues and Expenditures

Year Ended December 31, 2021

	2021	2020
REVENUES		
Donations and sponsorships	\$ 648,089	\$ 618,134
Amortization of deferred capital contributions	183,429	190,590
Government assistance and work programs	157,610	162,882
Camp rentals	42,367	98,529
Special events and projects	29,053	91,424
Sundry and tuck shop	2,375	3,442
	<u>1,062,923</u>	<u>1,165,001</u>
EXPENSES		
Amortization	279,982	305,625
Automotive and travel	18,906	14,235
Food	9,115	17,267
Goods and services tax	6,164	8,730
Housekeeping	811	5,326
Insurance and licenses	54,505	43,865
Interest and bank charges	2,433	13,125
Office administration	22,172	26,710
Professional fees	14,483	13,000
Public relations and promotions	-	926
Repairs and maintenance	61,081	35,496
Salaries and wages	357,510	495,390
Special projects	13,414	27,951
Staff development and training	2,425	377
Supplies	7,959	11,262
Telephone and utilities	110,446	106,723
	<u>961,406</u>	<u>1,126,008</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>101,517</u>	<u>38,993</u>
OTHER INCOME (EXPENSES)		
Interest income	3,547	5,487
Life insurance premiums donated	(99,507)	(87,000)
	<u>(95,960)</u>	<u>(81,513)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 5,557</u>	<u>\$ (42,520)</u>

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Statement of Changes in Net Assets

Year Ended December 31, 2021

	Unrestricted net assets	Net assets invested in capital assets	Net assets internally restricted for special projects	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 962,456	\$ 134,975	\$ 1,750,035	\$ 2,847,466	\$ 2,889,986
EXCESS OF REVENUES OVER EXPENSES	102,110	(96,553)	-	5,557	(42,520)
NET ASSETS - END OF YEAR	\$ 1,064,566	\$ 38,422	\$ 1,750,035	\$ 2,853,023	\$ 2,847,466

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Statement of Financial Position

December 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 2,612,887	\$ 2,221,683
Term deposits (Note 4)	798,720	1,054,331
Goods and services tax recoverable	1,083	1,400
Interest receivable	1,307	1,647
Prepaid expenses	43,955	48,122
Inventory	27,005	26,801
	<u>3,484,957</u>	<u>3,353,984</u>
PROPERTY, PLANT AND EQUIPMENT (Note 5)	<u>2,541,479</u>	<u>2,795,459</u>
	<u>\$ 6,026,436</u>	<u>\$ 6,149,443</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 46,087	\$ 26,522
Deposits received	18,548	13,598
Wages payable	74,863	59,985
Current portion of long term debt (Note 6)	8,447	9,527
Employee deductions payable	2,000	-
Current portion of deferred capital contributions (Note 7)	149,683	165,960
Deferred contributions	482,910	474,910
	<u>782,538</u>	<u>750,502</u>
LONG TERM DEBT (Note 6)	-	8,447
DEFERRED CAPITAL CONTRIBUTIONS (Note 7)	<u>2,390,875</u>	<u>2,543,028</u>
	<u>3,173,413</u>	<u>3,301,977</u>
NET ASSETS		
Unrestricted net assets	1,064,566	962,456
Net assets invested in capital assets	38,422	134,975
Net assets internally restricted for special projects	1,750,035	1,750,035
	<u>2,853,023</u>	<u>2,847,466</u>
	<u>\$ 6,026,436</u>	<u>\$ 6,149,443</u>

LEASE COMMITMENTS (Note 8)

ON BEHALF OF THE BOARD

Evan Gallant Director
[Signature] Director

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 5,557	\$ (42,520)
Item not affecting cash:		
Amortization of property, plant and equipment <i>(Note 5)</i>	279,982	305,625
	<u>285,539</u>	<u>263,105</u>
Changes in non-cash working capital:		
Interest receivable	340	6,174
Prepaid expenses	4,167	(4,660)
Inventory	(204)	5,404
Accounts payable and accrued liabilities	19,565	250
Goods and services tax payable	317	(1,737)
Deposits received	4,950	4,090
Wages payable	14,878	(15,502)
Deferred contributions	8,000	4,657
Deferred capital contributions	(168,431)	(119,426)
Employee deductions payable	2,000	-
	<u>(114,418)</u>	<u>(120,750)</u>
Cash flow from operating activities	<u>171,121</u>	<u>142,355</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,001)	(149,158)
Net change of investments	255,611	(10,783)
Cash flow from (used by) investing activities	<u>229,610</u>	<u>(159,941)</u>
FINANCING ACTIVITY		
Repayment of long term debt	(9,527)	(9,055)
INCREASE (DECREASE) IN CASH	391,204	(26,641)
Cash - beginning of year	2,221,683	2,248,324
CASH - END OF YEAR	<u>\$ 2,612,887</u>	<u>\$ 2,221,683</u>
CASH CONSISTS OF:		
Cash	<u>\$ 2,612,887</u>	<u>\$ 2,221,683</u>

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

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, 2021

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, 2021

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 .15% with varying redemption dates in 2022.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Buildings	\$ 5,010,040	\$ 3,517,575	\$ 1,492,465	\$ 1,624,676
Climbing wall and rope course	95,343	94,769	574	669
Computer equipment	72,401	70,173	2,228	3,156
Equipment	782,062	704,749	77,313	84,571
Furniture and fixtures	137,390	104,282	33,108	41,384
Motor vehicles	576,739	456,501	120,238	157,034
Maintenance shop	542,451	270,950	271,501	285,791
Parking lot	434,637	231,481	203,156	220,822
Playground	40,384	40,384	-	-
Septic system	710,528	386,941	323,587	358,473
Water system	31,471	14,162	17,309	18,883
	\$ 8,433,446	\$ 5,891,967	\$ 2,541,479	\$ 2,795,459

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

6. LONG TERM DEBT

	<u>2021</u>	<u>2020</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.	\$ 8,447	\$ 17,974
Amounts payable within one year	<u>(8,447)</u>	<u>(9,527)</u>
	<u>\$ -</u>	<u>\$ 8,447</u>

7. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 2,708,990	\$ 2,818,487
Contributions received	15,000	81,093
Amortization of deferred capital contributions	<u>(183,429)</u>	<u>(190,590)</u>
	<u>\$ 2,540,561</u>	<u>\$ 2,708,990</u>

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

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2021

8. LEASE COMMITMENTS

The Society has a long term lease with respect to a printer. Future minimum lease payments as at December 31, 2021, are as follows:

2022	\$	3,180
2023		3,180
2024		530
		<hr/>
	\$	6,890

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.

9. 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 2021 were \$ 15,485 (2020 - \$15,337) 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 2021 was \$3,300 (2020 - \$3,300).

10. 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, 2021

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

Gross contributions received were \$ 439,071 (2020 - \$ 516,041).

Gross contributions received were disposed as follows:

- Management and administration 23% (2020 - 21%)
- Charitable programs 75% (2020 - 75%)
- Fundraising 2% (2020 - 4%)

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

- Management and administration 23% (2020 - 21%)
- Charitable programs 75% (2020 - 75%)

All expenses incurred for the purposes of soliciting contributions were \$ 13,414 (2020 - \$ 27,951).

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

12. COMPARATIVE FIGURES

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

13. 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.
