

CAMP HEALTH, HOPE & HAPPINESS SOCIETY
Financial Statements
Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Camp Health, Hope & Happiness Society

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, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the society as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

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 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 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 ASNPO, 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 related 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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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
May 15, 2024

HC PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS

CAMP HEALTH, HOPE & HAPPINESS SOCIETY**Statement of Revenues and Expenditures****Year Ended December 31, 2023**

	2023	2022
REVENUES		
Donations and sponsorships	\$ 571,594	\$ 1,041,974
Camp rentals	442,180	434,754
Special events and projects	201,269	293,563
Amortization of deferred capital contributions	144,917	174,484
Government assistance and work programs	17,188	165,558
Sundry and tuck shop	2,456	11,981
	<u>1,379,604</u>	<u>2,122,314</u>
EXPENSES		
Amortization	237,848	253,597
Automotive and travel	23,933	24,422
Food	110,960	119,036
Goods and services tax	13,242	11,518
Housekeeping	29,994	16,781
Insurance and licenses	48,686	45,608
Interest and bank charges	2,449	2,540
Office administration	25,665	30,396
Professional fees	10,000	12,615
Public relations and promotions	492	232
Repairs and maintenance	152,133	53,403
Salaries and wages	673,554	495,213
Special projects	66,890	86,315
Staff development and training	2,932	3,332
Supplies	26,068	10,855
Telephone and utilities	184,654	148,204
	<u>1,609,500</u>	<u>1,314,067</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(229,896)	808,247
OTHER INCOME (EXPENSES)		
Interest income	66,142	14,745
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (163,754)	\$ 822,992

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY
Statement of Changes in Net Assets
Year Ended December 31, 2023

	Unrestricted net assets	Net assets invested in capital assets	Net assets internally restricted for special projects	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 893,846	\$ 282,169	\$ 2,500,000	\$ 3,676,015	\$ 2,853,023
DEFICIENCY OF REVENUES OVER EXPENSES	(70,823)	(92,931)	-	(163,754)	822,992
NET ASSETS - END OF YEAR	\$ 823,023	\$ 189,238	\$ 2,500,000	\$ 3,512,261	\$ 3,676,015

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY
Statement of Financial Position
December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 4,352,100	\$ 3,245,928
Term deposits (Note 4)	-	1,060,335
Accounts receivable	-	15,689
Goods and services tax recoverable	1,288	2,721
Interest receivable	-	8,117
Prepaid expenses	52,235	46,390
Inventory	28,454	21,771
	4,434,077	4,400,951
PROPERTY, PLANT AND EQUIPMENT (Net of accumulated amortization) (Note 5)	2,072,793	2,287,882
TOTAL ASSETS	\$ 6,506,870	\$ 6,688,833
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,642	\$ 43,645
Deposits received	615	1,027
Wages payable	99,567	87,443
Current portion of deferred capital contributions (Note 6)	120,436	131,409
Deferred contributions	639,629	514,629
	893,889	778,153
DEFERRED CAPITAL CONTRIBUTIONS (Note 6)	2,100,720	2,234,665
TOTAL LIABILITIES	2,994,609	3,012,818
NET ASSETS		
Unrestricted net assets	823,023	893,846
Net assets invested in capital assets	189,238	282,169
Net assets internally restricted for special projects	2,500,000	2,500,000
	3,512,261	3,676,015
TOTAL LIABILITIES AND NET ASSETS	\$ 6,506,870	\$ 6,688,833

LEASE COMMITMENTS (Note 7)

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, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (163,754)	\$ 822,992
Item not affecting cash:		
Amortization of property, plant and equipment (Note 5)	237,848	253,597
	74,094	1,076,589
Changes in non-cash working capital:		
Accounts receivable	15,689	(15,689)
Interest receivable	8,117	(6,810)
Prepaid expenses	(5,845)	(2,435)
Inventory	(6,683)	5,234
Accounts payable and accrued liabilities	(10,002)	(2,441)
Goods and services tax payable	1,433	(1,638)
Deposits received	(412)	(17,521)
Wages payable	12,124	12,580
Deferred contributions	125,000	31,719
Deferred capital contributions	(144,917)	(174,484)
Employee deductions payable	-	(2,000)
	(5,496)	(173,485)
Cash flow from operating activities	68,598	903,104
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(22,761)	-
Net change of investments	1,060,335	(261,615)
Cash flow from (used by) investing activities	1,037,574	(261,615)
FINANCING ACTIVITY		
Repayment of long term debt	-	(8,448)
INCREASE (DECREASE) IN CASH	1,106,172	633,041
Cash - beginning of year	3,245,928	2,612,887
CASH - END OF YEAR	\$ 4,352,100	\$ 3,245,928
CASH CONSISTS OF:		
Cash	\$ 4,352,100	\$ 3,245,928

See notes to financial statements

CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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, 2023

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.

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.

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CAMP HEALTH, HOPE & HAPPINESS SOCIETY

Notes to Financial Statements

Year Ended December 31, 2023

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

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 1.80% with varying redemption dates in 2023.

5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Buildings	\$ 5,010,040	\$ 3,772,481	\$ 1,237,559	\$ 1,363,480
Climbing wall and rope course	95,343	94,961	382	478
Computer equipment	72,401	71,284	1,117	1,576
Equipment	784,062	731,998	52,064	62,429
Furniture and fixtures	158,151	120,353	37,798	26,486
Motor vehicles	576,739	517,822	58,917	84,167
Maintenance shop	542,451	297,421	245,030	257,926
Parking lot	434,637	262,686	171,951	186,904
Playground	40,384	40,384	-	-
Septic system	710,528	456,715	253,813	288,700
Water system	31,471	17,309	14,162	15,736
	<u>\$ 8,456,207</u>	<u>\$ 6,383,414</u>	<u>\$ 2,072,793</u>	<u>\$ 2,287,882</u>

6. DEFERRED CAPITAL CONTRIBUTIONS

	2023	2022
Balance, beginning of year	\$ 2,366,075	\$ 2,540,559
Contributions received	-	-
Amortization of deferred capital contributions	(144,917)	(174,484)
	<u>\$ 2,221,158</u>	<u>\$ 2,366,075</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, 2023

7. LEASE COMMITMENTS

The Society has a long term lease with respect to a printer. Future minimum lease payments as at December 31, 2023, are as follows:

2024	\$ <u>530</u>
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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.

8. 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 2023 were \$ 15,828 (2022 - \$17,153) 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 2023 was \$3,780 (2022 - \$3,460).

9. 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, 2023

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

Gross contributions received were \$671,594 (2022 - \$ 794,922).

Gross contributions received were disposed as follows:

- Management and administration 36% (2022 - 27%)
- Charitable programs 59% (2022 - 65%)
- Fundraising 5% (2022 - 8%)

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

- Management and administration 36% (2022 - 27%)
- Charitable programs 59% (2022 - 65%)

All expenses incurred for the purposes of soliciting contributions were \$66,890 (2022 - \$ 86,315).

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

11. COMPARATIVE FIGURES

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