



Consolidated Financial Statements

Camp Ooch and Camp Trillium Corporation

December 31, 2020

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Independent Auditor's Report

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To the Board of Directors of
Camp Ooch and Camp Trillium Corporation

Qualified Opinion

We have audited the consolidated financial statements of Camp Ooch and Camp Trillium Corporation ("the Organization"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at December 31, 2020, and its consolidated results of operations and its consolidated 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 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 fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020, current assets as at December 31, 2020, and net assets as at January 1 and 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 Consolidated 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 consolidated 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 1 to the consolidated financial statements which describes that Camp Oochigeas amalgamated with Camp Trillium on January 1, 2020. Merger accounting was applied retrospectively by management to the comparative information in these financial statements, including the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations, changes in net assets and cash flows for the year ended December 31, 2019 and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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.

Grant Thornton LLP

Toronto, Canada

March 11, 2021

Chartered Professional Accountants

Licensed Public Accountants

Camp Ooch and Camp Trillium Corporation

Consolidated Statement of Operations

Year ended December 31	2020	2019
		(Unaudited)
Revenue		
Donations and fundraising (Note 10)	\$ 7,730,010	\$ 11,011,537
Amortization of deferred capital contributions	1,177,834	1,192,091
Bequest (Note 10)	991,789	1,961,412
Rental	40,673	526,051
Interest earned	<u>110,286</u>	<u>132,945</u>
	<u>10,050,592</u>	<u>14,824,036</u>
Expenditures (Note 12)		
Overnight camp programs	1,829,350	3,359,993
Community and in-hospital programs	2,359,514	2,493,487
Site operating costs	1,014,453	1,391,090
Fundraising and development (Note 10)	2,782,907	3,069,419
Administrative, office and general	873,717	1,381,387
Amortization	2,110,301	2,154,521
Rental	<u>102,576</u>	<u>177,245</u>
	<u>11,072,818</u>	<u>14,027,142</u>
(Deficiency)/Excess of revenue over expenditures before undernoted items	<u>(1,022,226)</u>	796,894
COVID-19 related severance costs	(715,575)	-
Canadian Emergency Wage Subsidy (CEWS)	1,431,001	-
Loss on sale and impairment of donations in-kind (Note 8)	(1,021,769)	-
Impairment of capital assets (Note 6)	<u>(200,247)</u>	<u>-</u>
(Deficiency)/Excess of revenue over expenditures	<u>\$ (1,528,816)</u>	<u>\$ 796,894</u>

See accompanying notes to the financial statements.

Camp Ooch and Camp Trillium Corporation

Consolidated Statement of Changes in Net Assets

Year ended December 31

	Unrestricted	Invested in Capital and Intangible Assets	Operating Reserve Fund	Internally restricted Strategic Initiatives Fund	Total
Balance, December 31, 2018	\$ 5,647,550	\$ 7,741,295	\$ 4,244,003	\$ -	\$ 17,632,848
Excess (deficiency) of revenue over expenditures	1,759,324	(962,430)	-	-	796,894
Inter-fund transfers	(32,714)	-	32,714	-	-
Repayment of long-term debt	(5,424)	5,424	-	-	-
Deferred capital contributions	1,624,735	(1,624,735)	-	-	-
Invested in capital and intangible assets	<u>(1,524,238)</u>	<u>1,524,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2019	7,469,233	6,683,792	4,276,717	-	18,429,742
Deficiency of revenue over expenditures	(396,102)	(1,132,714)	-	-	(1,528,816)
Inter-fund transfers	(2,623,283)	-	1,623,283	1,000,000	-
Repayment of long-term debt	(4,989)	4,989	-	-	-
Deferred capital contributions	1,087,673	(1,087,673)	-	-	-
Invested in capital and intangible assets	<u>(2,750,482)</u>	<u>2,750,482</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2020	\$ <u>2,782,050</u>	\$ <u>7,218,876</u>	\$ <u>5,900,000</u>	\$ <u>1,000,000</u>	\$ <u>16,900,926</u>

See accompanying notes to the financial statements.

Camp Ooch and Camp Trillium Corporation

Consolidated Statement of Financial Position

December 31

2020

2019

(Unaudited)

Assets

Current

Cash (Note 3)	\$ 6,518,909	\$ 4,905,251
Short-term investments (Note 4)	5,000,100	5,120,089
Receivables (Note 5)	1,122,719	859,048
Prepaid expenses	<u>241,053</u>	<u>190,715</u>

12,882,781 11,075,103

Capital assets (Note 6)	33,747,309	33,266,322
Intangible assets (Note 7)	125,637	166,688
Other assets (Note 8)	<u>231,477</u>	<u>1,567,918</u>

\$ 46,987,204 **\$ 46,076,031**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 1,022,062	\$ 552,709
Deferred rent	54,286	19,679
Current portion of long-term debt	<u>2,469</u>	<u>5,424</u>

1,078,817 577,812

Long-term debt	-	2,034
Deferred contributions (Note 9)	2,355,861	324,682
Deferred capital contributions (Note 9)	<u>26,651,600</u>	<u>26,741,761</u>

30,086,278 **27,646,289**

Net assets

Unrestricted	2,782,050	7,469,233
Invested in capital assets	7,218,876	6,683,792
Internally restricted	<u>6,900,000</u>	<u>4,276,717</u>

16,900,926 **18,429,742**

\$ 46,987,204 **\$ 46,076,031**

Commitments (Note 13)

On behalf of the Board

 Director

 Director

Camp Ooch and Camp Trillium Corporation

Consolidated Statement of Cash Flows

Year ended December 31

2020

2019

(Unaudited)

Increase (decrease) in cash

Operating

(Deficiency) excess of revenues over expenditures	\$ (1,528,816)	\$ 796,894
Items not affecting cash		
Cash surrender value of life insurance	(3,320)	(3,074)
Deferred rent	34,607	(29,519)
Amortization of deferred capital contributions	(1,177,834)	(1,192,092)
Deferred contributions	(298,822)	(334,186)
Amortization of capital and intangible assets	2,110,301	2,154,521
Loss on sale and impairment of donations in kind	1,021,769	-
Impairment of capital assets	200,247	-
Donations in-kind	<u>(1,381,579)</u>	<u>(2,103,727)</u>
	<u>(1,023,447)</u>	<u>(711,183)</u>

Change in non-cash working capital items

Receivables	(265,190)	620,361
Prepaid expenses	(48,819)	33,750
Accounts payable and accrued liabilities	<u>469,351</u>	<u>279,694</u>
	<u>155,342</u>	<u>933,805</u>
	<u>(868,105)</u>	<u>222,622</u>

Investing

Capital improvements and acquisitions (Note 6)	(2,750,482)	(1,524,238)
Deferred contributions received	3,417,674	4,610,617
Net (purchase) redemption of short-term investments	119,988	(4,730,374)
Net proceeds on disposal of donations in kind	<u>1,699,572</u>	<u>587,357</u>
	<u>2,486,752</u>	<u>(1,056,638)</u>

Financing

Long-term debt	<u>(4,989)</u>	<u>(5,424)</u>
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Increase (decrease) in cash

1,613,658 (839,440)

Cash

Beginning of year	<u>4,905,251</u>	<u>5,744,691</u>
End of year	<u>\$ 6,518,909</u>	<u>\$ 4,905,251</u>

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

The mission of Camp Ooch and Camp Trillium (the “Organization”) is to provide children with and affected by childhood cancer and their families with a unique opportunity for growth through friendship, fun and enriching camp experiences. These include year-round overnight camp programs in Muskoka, Waterford, and Bloomfield and programs in hospitals and communities in Toronto and across Ontario.

The Organization is a registered charity under the Canada Not-for-profit Corporations Act and a registered charitable Organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

1. Amalgamation of Camp Oochigeas and Camp Trillium

Through Articles of Amalgamation, effective January 1, 2020, Camp Oochigeas and Camp Trillium amalgamated to form Camp Ooch and Camp Trillium Corporation. The objective of the amalgamation was to further the predecessor organizations’ shared goal of reaching every child and family affected by childhood cancer across Ontario with camp-inspired programs that promote social and emotional well-being. The merger will enable the new, combined Organization to deepen support for families and result in more camp programs in more communities and hospitals across Ontario

As of January 1st, 2020, the Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) did not provide explicit guidance for not-for-profit organizations (“NPOs”) on how to account for and report combinations of NPOs. However, ASNPO allows the Organization to determine its accounting policy by looking to other sources as long as its policy does not conflict with any of the requirements in ASNPO. In January 2020, the Accounting Standards Board (AcSB) issued an Exposure Draft entitled *Combinations – Initial Measurement and Related Disclosures*. This Exposure Draft proposes a new Handbook Section 4449 that would be included in ASNPO. It provides guidance to determine whether a combination between two or more NPOs are considered a merger or acquisition. In order to be considered a merger, five criteria must be met. After a thorough analysis of the accounting policy options, management has decided to develop its accounting policy based on the guidance in this proposed document.

On March 1, 2021 the AcSB issued Handbook Section 4449 Combinations by not-for-profit organizations, effective for fiscal years beginning on or after January 1, 2022. The principles and guidance in Section 4449 have been adopted by the Organization to determine the accounting, presentation and disclosure of the amalgamation as at January 1, 2020.

Under Section 4449, to be considered a merger the following five criteria must be met:

- No party to the combination was characterized as either the acquirer or acquiree, either by its own board or management or by that of the other party to the combination.
- Those charged with governance of Camp Oochigeas and Camp Trillium participated in determining the terms of the combination. This included establishing the governance and management structures of Camp Ooch and Camp Trillium Corp. and in selecting management personnel.
- Except for transaction costs, no significant consideration flowed to a third party of Camp Oochigeas or Camp Trillium to form Camp Ooch and Camp Trillium Corp.
- Camp Ooch and Camp Trillium Corp. encompassed the purposes of both Camp Oochigeas and Camp Trillium at the combination date.
- At the combination date, there was no significant decline or planned significant decline in the client communities served by Camp Oochigeas and Camp Trillium.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

1. Amalgamation of Camp Oochigeas and Camp Trillium (continued)

As a result, on January 1, 2020, the assets, liabilities, and net assets of the predecessor organizations were combined at their carrying amounts, with adjustments to align their accounting policies to those of the new organization. Also, the unaudited comparative period was combined as if Camp Oochigeas and Camp Trillium had always been combined (with their accounting policies also adjusted to align to the new Organization). The tables below demonstrate the impact of the combination on the comparative period and the related adjustments to the carrying amounts of the predecessor organizations:

Combined Statement of Financial Position (Unaudited)

As at December 31, 2019

	Camp Oochigeas	Camp Trillium	Adjustments	Combined total
Total assets	\$ 43,520,311	\$ 2,555,720	\$ -	\$ 46,076,031
Total liabilities	548,540	31,306	27,066,443	27,646,289
Net assets				
Externally restricted	\$ 324,682	\$ -	\$ (324,682)	\$ -
Internally restricted	4,000,000	276,717	-	4,276,717
Invested in capital and intangible assets	31,217,007	2,208,546	(26,741,761)	6,683,792
Unrestricted	<u>7,430,082</u>	<u>39,151</u>	<u>-</u>	<u>7,469,233</u>
	<u>\$ 42,971,771</u>	<u>\$ 2,524,414</u>	<u>\$ (27,066,443)</u>	<u>\$ 18,429,742</u>

Combined Statement of Operations (Unaudited)

For the year ended December 31, 2019

	Camp Oochigeas	Camp Trillium	Adjustments	Combined total
Revenues	\$ 15,607,720	\$ 2,300,656	\$ (3,084,340)	\$ 14,824,036
Expenses	<u>11,178,568</u>	<u>2,848,574</u>	<u>-</u>	<u>14,027,142</u>
Excess of revenue over expenses	<u>\$ 4,429,152</u>	<u>\$ (547,918)</u>	<u>\$ (3,084,340)</u>	<u>\$ 796,894</u>

The most significant adjustments included in the above tables are as follows:

Implementation of merger accounting required the Organization to align and select accounting policies for the new entity. Camp Oochigeas previously followed the restricted fund method of accounting and Camp Trillium followed the deferral method of accounting. On amalgamation the Organization elected to use the deferral method of accounting going forward. In order to implement this accounting policy change Camp Oochigeas' accounts were adjusted to transfer \$27,066,443 of invested in capital assets and externally restricted net assets to deferred contributions and deferred capital contributions in alignment with the principles of the deferral method of accounting. Revenues for 2019 were decreased by \$3,084,340 to reflect the net impact of ceasing to recognize gross externally restricted contributions received during the year and recognizing deferred contributions expended and amortization of deferred capital contributions during the year.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with ASNPO and include the following significant accounting policies:

Basis of presentation

The consolidated financial statements include the accounts of the Organization and its wholly owned subsidiary, Camp Hollyburn (1986) Limited. All significant intercompany transactions and balances have been eliminated on consolidation.

Contributions receivable and revenue recognition

A contribution receivable is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

The Organization follows the deferral method of accounting for contributions. Restricted contributions for the purchase of capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets. Other 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.

Bequest revenue is recognized when interim or final distributions are received or in-transit from an estate.

Rental income for facilities is recognized in accordance with the terms of the agreements.

Donations in kind are recorded at their estimated fair value based upon appraisal and other factors pertinent to the donation.

Contributed services

The Organization would not be able to carry out its activities without the services of volunteers who donate a considerable number of hours. Because of the difficulty of determining their fair value, the value of contributed services is not recognized in the consolidated financial statements.

Allocation of expenses

The Organization engages in overnight camp programs, community and in-hospital programs, site operating, fundraising and development, and administrative functions. The Organization allocates salaries and benefits based on efforts. Office rental and communication expenses are allocated on the same basis as head office salaries. Other costs, such as office supplies, computer maintenance, staff training and development and travel expenses are allocated based on usage.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

2. Significant accounting policies (continued)

Capital assets

Purchased and internally developed capital assets are stated at cost. Contributed assets are stated at their estimated fair value at the date of contribution. The Organization provides for amortization using the following methods at rates designed to amortize the cost of the capital assets on a straight-line basis over their estimated useful lives. The annual amortization rates and methods are as follows:

Buildings	20-35 years
Furniture and equipment	5-10 years
Computer equipment and software	3 years
Vehicles	5 years
Leasehold improvements	term of the lease

Buildings under construction are not yet available for use, and accordingly no amortization is recorded.

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost (determined on an asset by asset basis). Write-downs of capital assets are recognized as expenses in the consolidated statement of operations and are not reversed.

Works of art (Note 7)

Contributed works of art are recorded at their estimated fair value at the date of contribution and subsequently measured at cost less impairment.

Cash surrender value of life insurance (Note 7)

Life insurance policies are recorded at their realizable value less applicable surrender charges.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

Financial assets measured at cost or amortized cost are regularly assessed for indicators of impairment. If there is an indication of impairment the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset, and recognizes an impairment loss if the carrying value of the financial asset is greater than the higher of the present value of the expected future cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral.

If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement not exceeding the initial carrying value.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

2. Significant accounting policies (continued)

Use of estimates

The preparation of these consolidated financial statements, in conformity with ASNPO, 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 consolidated financial statements, and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from these estimates.

Estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Items requiring the use of significant estimates include the useful lives of capital and intangible assets, fair value of capital and intangible assets for determining impairment, fair value of artwork for determining impairment and accrued liabilities pertaining to the expansion campaign.

Due to the uniqueness and nature of artwork, the determination of fair value is highly subjective and can vary significantly. During the year the Organization sold artwork, resulting in substantial losses from their appraised amounts (Note 8). As a result of this history of experienced losses, the Organization has taken a 65% write-down of the remaining artwork, as this is the best estimate of its fair value.

3. Internally Restricted Funds

a) Operating Reserve Fund

The Board established an Operating Reserve Fund for the purpose of responding to financial pressures and unforeseen liabilities, with the goal of ensuring camp programs remain uninterrupted in the short to medium term. The goal for this fund is to maintain 6 to 9 months of the Organization's annual operating expenditures.

b) Strategic Initiatives Fund

The Board established a Strategic Initiatives Fund for the purpose of pursuing opportunities of strategic importance to advance the mission of the Organization, including capital and operational initiatives.

4. Credit facilities

As part of the expansion funding plan, the Organization has secured an operating demand loan to finance short term project costs. The facility is for a maximum amount of \$1,000,000 and bears interest at the Bank of Montreal's prime rate per annum. As at December 31, 2020, this facility was not in use. The facility is secured by:

- (i) A general security agreement over the assets of the Organization and Camp Hollyburn (1986) Limited;
- (ii) A guarantee provided by Camp Hollyburn (1986) Limited in the amount of \$1,000,000;
- (iii) First mortgage in the amount of \$1,000,000, over the Muskoka property; and
- (iv) Assignment of property insurance.

Included in cash is \$5,909 (2019 - \$6,558) held in trust for lottery/raffle payouts.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

5. Short-term investments

Short-term investments comprise a guaranteed investment certificate in the amount of \$5,000,000 which bears interest at 1.7% and matures on July 25, 2021.

6. Receivables

	<u>2020</u>	<u>2019</u> (Unaudited)
HST receivable and CEWS	\$ 364,665	\$ 241,549
Pledges and Bequests	675,000	165,000
Other	<u>83,699</u>	<u>452,499</u>
	<u>\$ 1,123,364</u>	<u>\$ 859,048</u>

7. Capital assets

			<u>2020</u>	<u>2019</u> (Unaudited)
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1,705,311	\$ -	\$ 1,705,311	\$ 1,705,311
Buildings	41,227,142	10,682,716	30,544,426	29,756,515
Furniture and equipment	3,369,400	2,227,283	1,142,117	1,345,944
Computer equipment	762,081	588,345	173,736	140,632
Leasehold improvements	5,573,489	5,495,639	77,850	157,364
Vehicles	<u>1,145,399</u>	<u>1,041,530</u>	<u>103,869</u>	<u>160,556</u>
	<u>\$ 53,782,822</u>	<u>\$ 20,035,513</u>	<u>\$ 33,747,309</u>	<u>\$ 33,266,322</u>

During the year the Organization purchased and developed capital assets amounting to \$2,750,482 (2019 - \$1,453,621).

During the year, an impairment charge of \$200,247 (2019 - \$Nil) was recorded against buildings that are not expected to be used in the future.

Costs relating to construction in progress of \$Nil (2019 - \$654,748) are included in buildings. Included in accounts payable and accrued liabilities are amounts of \$Nil (2019 - \$54,169) relating to these capital improvements.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

8. Intangible assets

	<u>2020</u>	<u>2019</u> (Unaudited)
	<u>Net Book Value</u>	<u>Net Book Value</u>
<u>Cost</u>	<u>Accumulated Amortization</u>	
Computer software	<u>\$ 727,067</u>	<u>\$ 601,430</u>
	<u>\$ 125,637</u>	<u>\$ 166,688</u>

9. Other assets

	<u>2020</u>	<u>2019</u> (Unaudited)
Works of art	<u>\$ 201,609</u>	<u>\$ 1,541,370</u>
Cash surrender value of life insurance	<u>29,870</u>	<u>26,548</u>
	<u>\$ 231,479</u>	<u>\$ 1,567,918</u>

Works of art were donated to the Organization in the 2004, 2006 and 2009 fiscal years. The works of art were placed in irrevocable trusts to allow the donor to maintain possession of the works of art during his lifetime. While held in trust the carrying value of artwork of \$1,516,370 was recognized as deferred contributions (Note 9(a)). The remaining artwork valued at \$25,000 is not subject to restrictions.

The carrying values of the works of art were established at the time of donation and were based upon their estimated fair value.

In 2019, the donor passed away and as per the terms of the trust agreements, the Organization assumed full ownership of the works of art and accordingly, the amount that had been previously recognized as deferred contributions was recognized as bequest revenue.

In 2020, artwork with a carrying value of \$898,220 was sold resulting in net proceeds of \$317,993 and a loss on sale of \$580,228. In addition, the Organization recorded an impairment loss, based on an estimate of its fair value less cost to sell on remaining artwork of \$441,541.

The Organization is also the owner of a donated life insurance policy with a cash surrender value. The Organization is the owner and sole beneficiary of the policy, which has an insured value of \$109,574. The life insurance premiums are paid by the donor. The increase in cash surrender value is included with interest earned in the consolidated statement of operations.

Camp Ooch and Camp Trillium Corporation

Notes to the Consolidated Financial Statements

December 31, 2020

10. Deferred contributions and deferred capital contributions

- (a) Deferred contributions represent unspent resources externally restricted for program and capital expenses in future years. Changes in the deferred contributions balance are as follows:

	<u>2020</u>	<u>2019</u> (Unaudited)
Balance, beginning of year	\$ 324,682	\$ 62,861
Contributions and interest received	3,417,674	4,610,617
Contributions transferred to deferred capital contributions	<u>(1,087,673)</u>	<u>(4,014,610)</u>
	<u>2,654,683</u>	658,868
Amount recognized as Donations and fundraising:	<u>(298,822)</u>	<u>(334,186)</u>
Balance, end of year	<u>\$ 2,355,861</u>	<u>\$ 324,682</u>

The balance of deferred contributions is largely restricted for program and capital sustainability initiatives at the recently renovated Camp Muskoka.

- (b) Deferred capital contributions represent the unamortized amount of restricted contributions used for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the consolidated statement of operations and changes in net assets. Changes in the deferred capital contributions balance are as follows:

	<u>2020</u>	<u>2019</u> (Unaudited)
Balance, beginning of year	\$ 26,741,761	\$ 23,919,243
Contributions transferred from deferred contributions	<u>1,087,673</u>	<u>4,014,610</u>
	<u>27,829,434</u>	27,933,853
Amortization of deferred capital contributions:	<u>(1,177,834)</u>	<u>(1,192,092)</u>
Balance, end of year	<u>\$ 26,651,600</u>	<u>\$ 26,741,761</u>

11. Donations and fundraising

Included in donations and fundraising revenue is an amount of \$1,396,031 (2019 - \$602,149) received related to donations in kind of which \$1,381,579 (2019 - \$587,357) related to donated shares of publicly traded companies. It is the Organization's policy to convert these assets into cash as soon as practicable.

The Organization holds a biennial gala fundraiser. This event was held in 2018. In 2020, as a result of the pandemic, the Organization held The Paddle Project, a virtual live auction event which resulted in donations and fundraising revenue of \$948,279 (2019 - \$528,764) and fundraising and development expenditures of \$129,603 (2019 - \$184,206).

The Organization is a named beneficiary of an estate. An interim distribution of \$600,000 has been accrued. Remaining net proceeds from the estate are estimated to be between \$1M to \$2M with final distribution to the Organization anticipated over the next 1-3 years.

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12. Government funding

In addition to the Canadian Emergency Wage Subsidy (CEWS) of \$1,431,001, the Organization received a Community Foundations of Canada grant of \$72,000 (2019 - \$133,400) to cover expenses related to the COVID Can't Stop Camp campaign. The CEWS amount recognized, includes an accrual of \$241,574.

13. Allocation of expenses

(a) Salaries and benefits expenses of \$5,889,053 (2019 - \$7,138,159) have been allocated as follows:

	<u>2020</u>	<u>2019</u> (Unaudited)
Overnight camp programs	\$ 1,289,116	\$ 2,242,773
Community and in-hospital programs	1,757,828	1,763,446
Site operating costs	248,086	371,877
Fundraising and development - general	1,711,676	1,752,116
Administrative, office and general	820,105	960,495
Rental	<u>62,242</u>	<u>47,452</u>
	<u>\$ 5,889,053</u>	<u>\$ 7,138,159</u>

(b) Other expenses (including occupancy and communication costs, office supplies, computer maintenance and staff training and development costs) of \$ 1,066,771 (2019 - \$ 1,120,068) have been allocated as follows:

	<u>2020</u>	<u>2019</u> (Unaudited)
Overnight camp programs	\$ 180,522	\$ 183,636
In-city programs	476,016	496,090
Fundraising and development - general	221,371	161,365
Fundraising and development - expansion	-	66,492
Administrative, office and general	166,065	186,591
Rental	<u>22,797</u>	<u>25,894</u>
	<u>\$ 1,066,771</u>	<u>\$ 1,120,068</u>

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14. 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 concentration as at December 31, 2020.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of accounts payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flows from its fund raising activities.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. It is management's opinion that the Organization is not exposed to currency risk or other price risk.

Interest rate risk

The Organization is exposed to interest rate price risk on its fixed rate interest bearing assets.

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 on their pledge and other receivables (Note 5). Management has adopted credit policies in an effort to minimize those risks and does not believe that there is significant credit concentration or risk. The carrying amount of these balances represents the maximum credit exposure.

15. Commitments

- (a) The Organization is committed to minimum payments under existing premises, rental and equipment leases. Future minimum annual lease payments exclusive of operating costs are approximately as follows:

2021	\$ 415,331
2022	449,400
2023	422,674
2024	426,595
2025	458,538
2026	458,538
2027	<u>316,840</u>
	<u>\$ 2,947,916</u>

- (b) The Organization has entered into various contracts for campsite development, capital asset purchases and capital improvements for \$178,229 (plus applicable HST).