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Consolidated Financial Statements

Camp Oochigeas

December 31, 2019

Contents

	Page
Independent Auditor's Report	1 - 3
Consolidated Statement of Operations	4 - 5
Consolidated Statement of Changes in Net Assets	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 18

Independent Auditor's Report

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To the Board of Directors of
Camp Oochigeas

Qualified Opinion

We have audited the consolidated financial statements of Camp Oochigeas ("the Organization"), which comprise 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 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 Camp Oochigeas as at December 31, 2019, 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, 2019, current assets as at December 31, 2019, and net assets as at January 1 and December 31, 2019. The predecessor auditor's opinion on the consolidated financial statements for the year ended December 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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 – Restated Comparative Information

We draw attention to Note 3 to the consolidated financial statements, which explains that certain comparative information for the year ended December 31, 2018 has been restated. The consolidated financial statements for the year ended December 31, 2018 (prior to the adjustments that were applied to restate certain comparative information) were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on June 3, 2019 for reasons described in the *Basis for Qualified Opinion* section. Our opinion is not modified in respect of this matter.

As part of our audit of the consolidated financial statements ended December 31, 2019, we also audited the adjustments that were applied to restate certain of the comparative information presented for the year ended December 31, 2018. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended December 31, 2018. Accordingly, we do not express an opinion or any other form of assurance on the consolidated financial statements for the year ended December 31, 2018 taken as a whole.

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 a 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 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
June 22, 2020

Chartered Professional Accountants
Licensed Public Accountants

Camp Oochigeas

Consolidated Statement of Operations

Year ended December 31

	General Fund	Ooch Muskoka Expansion Fund	Endowment Fund	Total 2019
Revenue				
Donations and fundraising (Note 9)	\$ 10,530,820	\$ 4,476,362	\$ -	\$ 15,007,182
Bequests	263,375	-	-	263,375
Rental	204,967	-	-	204,967
Interest	131,341	-	855	132,196
	<u>11,130,503</u>	<u>4,476,362</u>	<u>855</u>	<u>15,607,720</u>
Expenditures (Note 11)				
Overnight camp programs	2,054,048	-	-	2,054,048
In-city programs	2,013,372	-	-	2,013,372
Site operating costs	983,450	-	-	983,450
Fundraising and development (Note 9)	2,465,647	334,186	-	2,799,833
Administrative, office and general	1,187,342	-	-	1,187,342
Amortization of capital assets	2,024,147	-	-	2,024,147
Rental	116,376	-	-	116,376
	<u>10,844,382</u>	<u>334,186</u>	<u>855</u>	<u>11,178,568</u>
Excess of revenue over expenditures	<u>\$ 286,121</u>	<u>\$ 4,142,176</u>	<u>\$ 855</u>	<u>\$ 4,429,152</u>

See accompanying notes to the financial statements.

Camp Oochigeas

Consolidated Statement of Operations

Year ended December 31 (Note 3)

	General Fund	Ooch Muskoka Expansion Fund	Endowment Fund	Total 2018
Revenue				
Donations and fundraising (Note 9)	\$ 8,589,928	\$ 7,352,865	\$ 61,653	\$ 16,004,446
Bequests	160,541	-	-	160,541
Rental	167,268	-	-	167,268
Interest	<u>38,261</u>	<u>-</u>	<u>1,207</u>	<u>39,468</u>
	<u>8,955,998</u>	<u>7,352,865</u>	<u>62,860</u>	<u>16,371,723</u>
Expenditures (Note 11)				
Overnight camp programs	1,648,354	-	-	1,648,354
In-city programs	1,711,798	-	-	1,711,798
Site operating costs	883,562	-	-	883,562
Fundraising and development (Note 9)	2,300,240	558,665	-	2,858,905
Administrative, office and general	1,112,678	-	-	1,112,678
Amortization of capital assets	1,793,079	-	-	1,793,079
Rental	<u>105,183</u>	<u>-</u>	<u>-</u>	<u>105,183</u>
	<u>9,554,894</u>	<u>558,665</u>	<u>-</u>	<u>10,113,559</u>
(Deficiency) excess of revenue over expenditures	<u>\$ (598,896)</u>	<u>\$ 6,794,200</u>	<u>\$ 62,860</u>	<u>\$ 6,258,164</u>

Camp Oochigeas Consolidated Statement of Changes in Net Assets

Year ended December 31

	General Fund			Ooch Muskoka Expansion Fund	Endowment Fund	Total
	Unrestricted	Invested in Capital Assets	Operating Reserve Fund			
Balance, December 31, 2017, as previously stated	\$ 6,487,876	\$ 25,024,876	\$ 4,000,000	\$ (2,669,470)	\$ 452,698	\$ 33,295,980
Prior period adjustment (Note 3)	<u>(1,011,525)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,011,525)</u>
Balance, December 31, 2017, as restated	5,476,351	25,024,876	4,000,000	(2,669,470)	452,698	32,284,455
(Deficiency) excess of revenue over expenditures	1,194,183	(1,793,079)	-	6,794,200	62,860	6,258,164
Invested in capital assets	(312,642)	8,555,737	-	(8,243,095)	-	-
Transfer of funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,698</u>	<u>(452,698)</u>	<u>-</u>
Balance, December 31, 2018	6,357,892	31,787,534	4,000,000	(3,665,667)	62,860	38,542,619
(Deficiency) excess of revenue over expenditures	2,310,268	(2,024,147)	-	4,142,176	855	4,429,152
Invested in capital assets	<u>(371,817)</u>	<u>1,482,563</u>	<u>-</u>	<u>(1,110,746)</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2019	<u>\$ 8,296,343</u>	<u>\$ 31,245,950</u>	<u>\$ 4,000,000</u>	<u>\$ (634,237)</u>	<u>\$ 63,715</u>	<u>\$ 42,971,771</u>

See accompanying notes to the financial statements.

Camp Oochigeas

Consolidated Statement of Financial Position

December 31

	General Fund	Ooch Muskoka Expansion Fund	Endowment Fund	Total 2019	Total 2018
					(Note 3)
Assets					
Current					
Cash (Note 4)	\$ 4,657,445	\$ -	\$ 63,715	\$ 4,721,160	\$ 5,373,192
Short-term Investments (Note 5)	5,000,000	-	-	5,000,000	-
Receivables (Note 6)	823,778	-	-	823,778	1,678,940
Prepaid expenses	190,450	-	-	190,450	224,200
Inter-fund advances receivable (payable)	634,237	(634,237)	-	-	-
	<u>11,305,910</u>	<u>(634,237)</u>	<u>63,715</u>	<u>10,735,388</u>	<u>7,276,332</u>
Capital assets (Note 7)	31,245,950	-	-	31,245,950	31,787,534
Other assets (Note 8)	1,567,918	-	-	1,567,918	1,564,844
	<u>32,813,868</u>	<u>-</u>	<u>-</u>	<u>32,813,868</u>	<u>33,352,378</u>
	<u>\$ 44,119,778</u>	<u>\$ (634,237)</u>	<u>\$ 63,715</u>	<u>\$ 43,549,256</u>	<u>\$ 40,628,710</u>
Liabilities					
Current					
Accounts payable and accrued liabilities (Note 7)	\$ 557,806	\$ -	\$ -	\$ 557,806	\$ 520,523
Deferred rent	19,679	-	-	19,679	49,198
Irrevocable trusts (Note 8)	-	-	-	-	1,516,370
	<u>577,485</u>	<u>-</u>	<u>-</u>	<u>577,485</u>	<u>2,086,091</u>
Net assets					
Externally restricted	-	(634,237)	63,715	(570,522)	(3,602,807)
Internally restricted	4,000,000	-	-	4,000,000	4,000,000
Invested in capital assets	31,245,950	-	-	31,245,950	31,787,534
Unrestricted	8,296,343	-	-	8,296,343	6,357,892
	<u>43,542,293</u>	<u>(634,237)</u>	<u>63,715</u>	<u>42,971,771</u>	<u>38,542,619</u>
	<u>\$ 44,119,778</u>	<u>\$ (634,237)</u>	<u>\$ 63,715</u>	<u>\$ 43,549,256</u>	<u>\$ 40,628,710</u>

Commitments (Note 13)

On behalf of the Board

 Director

 Director

See accompanying notes to the financial statements.

Camp Oochigeas

Consolidated Statement of Cash Flows

Year ended December 31

2019

2018

Increase (decrease) in cash

Operating

Excess of revenues over expenditures	\$ 4,429,152	\$ 6,258,164
Items not affecting cash		
Cash surrender value of life insurance	(3,074)	(4,238)
Deferred rent	(29,519)	(29,519)
Amortization of capital assets	2,024,147	1,793,079
Donations-in-kind	<u>(2,103,727)</u>	<u>(725,918)</u>

4,316,979 7,291,568

Change in non-cash working capital items

Receivables	855,162	(2,753)
Prepaid expenses	33,750	131,088
Accounts payable and accrued liabilities	<u>8,341</u>	<u>(1,162,336)</u>

Cash flows from operating activities

5,214,232 6,257,567

Investing

Capital asset additions	(1,453,621)	(8,555,737)
Net (purchase) redemption of short-term investments	(5,000,000)	1,059,579
Proceeds on disposal of donated shares of publicly traded companies	<u>587,357</u>	<u>725,918</u>

Cash flows from investing activities

(5,866,264) (6,770,240)

Decrease in cash

(652,032) (512,673)

Cash

 Beginning of year **5,373,192** 5,885,865

 End of year **\$ 4,721,160** \$ 5,373,192

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

1. Description of Organization and income tax status

The mission of Camp Oochigeas (the "Organization") is to operate camp programs for children with cancer, and children and families affected by childhood cancer. These include year-round overnight camp programs in Muskoka, and outreach programs in hospitals and communities in Toronto and across Ontario.

Camp Oochigeas is a registered charity under the Canada Not-for-profit Corporations Act. Camp Oochigeas is 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.

2. Significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations 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.

The Organization is the capital beneficiary of three irrevocable trusts, which were created by a donor to hold works of art for the benefit of the Organization upon the donor's death (Note 8).

Fund accounting

For financial reporting purposes, the accounts have been classified into the following funds:

(i) General Fund

The General Fund accounts for both the Organization's program delivery and administrative activities. Included in the General Fund is an Operating Reserve Fund the purpose of which is to ensure the ongoing delivery of the Organization's programs in the event that revenue is insufficient to cover regular operating expenditures. The Operating Reserve Fund is internally restricted and requires the approval of the Board of Directors.

(ii) Ooch Muskoka Expansion Fund

The Ooch Muskoka Expansion Fund consists of externally restricted funds to be used for campsite developments, capital asset purchases and capital improvements.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant accounting policies (continued)

Fund accounting (continued)

(iii) Endowment Fund

In October 2011, the Endowment Fund was created by the Eby Family. The Endowment Fund consists of externally restricted funds contributed by the Eby family and other individuals that shall be held until October 31, 2021, at which time some or all of the capital in the fund may be further restricted for a term of 10 years. The Eby Family may authorize withdrawals from time to time at its sole discretion, upon formal request by the Organization.

Advances of resources between funds are accumulated and presented in the statement of financial position as inter-fund advances receivable or payable.

Revenue recognition

The Organization follows the restricted fund method of accounting for donations and fundraising contributions. The Organization ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expensed for the purpose for which they are provided.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably ensured.

Restricted contributions related to general operations are deferred and recognized as revenue in the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Pledges are recognized as revenue and accrued receivables when a pledge agreement has been signed, the amount to be received can be reasonably estimated and ultimate collection is reasonably assured (Note 6).

Donations are recorded when received or known to be in transit at the fiscal year end. 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 are not recognized in the consolidated financial statements.

Allocation of expenses

The Organization engages in overnight programming, in-city programming, fundraising, site operating costs, 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 Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

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 years
Buildings - Expansion - Gatts' Lodge, Muskoka	35 years
Buildings - Expansion - Ancillary, Muskoka	25 years
Furniture and equipment - Expansion	10 years
Furniture and equipment	5 years
Computer equipment and software	3 years
Trailer	5 years
Watercraft	5 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.

Cash surrender value of life insurance

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

Works of art

Contributed works of art are recorded at their estimated fair value at the date of contribution.

Impairment of tangible capital assets

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

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.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

2. Significant accounting policies (continued)

Financial instruments (continued)

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.

Use of estimates

The preparation of these consolidated financial statements, in conformity with Canadian accounting standards for not-for-profit Organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the 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 assets, cost of demolished capital assets and accrued liabilities pertaining to the expansion campaign.

Short-term investments

Short-term investments consist of guaranteed investment certificates measured at cost plus accrued interest.

3. Prior period adjustment

During the year, the Organization determined that the accounting treatment that had been applied to account for three irrevocable trusts (“trusts”) established in 2004, 2006 and 2009 for donations of works of art was inappropriate. In the respective years, the Organization recognized the donations as revenue in advance of the trusts’ termination date and discounted the donated value of the works of art. As a result, the amount previously recognized as revenue should have been recognized as a deferred contribution liability at the full fair value of the donated property. Accordingly, in prior years including 2018, assets and liabilities were understated by \$504,845 and \$1,516,370, respectively, and revenue and unrestricted net assets were overstated by \$1,011,525.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

3. Prior period adjustment (continued)

During the current year, these trusts were terminated resulting in the recognition of unrestricted donation revenue in the amount of \$1,516,370. These financial statements have been retrospectively restated to reflect the correcting adjustments. The net impact of the adjustments to the comparative balances presented in these financial statements are as follows:

	2018		
	<u>As previously stated</u>	<u>Adjustment</u>	<u>Restated</u>
Assets			
Other assets	\$ 1,059,999	\$ 504,845	\$ 1,564,844
Total assets	40,123,865	504,845	40,628,710
Liabilities			
Irrevocable trusts payable	-	1,516,370	1,516,370
Total liabilities	569,721	1,516,370	2,086,091
Net assets			
Unrestricted	7,369,417	(1,011,525)	6,357,892
Total liabilities and net assets	40,123,865	504,845	40,628,710

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, 2019, 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 \$Nil (2018 - \$51,717) held in trust for lottery/raffle payouts.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

5. Short-term investments

The guaranteed investment certificate (GIC) in the amount of \$5,000,000 matures on July 25, 2021 and has an interest rate of 1.7%.

6. Receivables

	<u>2019</u>	<u>2018</u>
Government rebates recoverable	\$ 206,924	\$ 1,062,259
Pledges	165,000	206,250
Other	<u>451,854</u>	<u>410,431</u>
	\$ 823,778	\$ 1,678,940

7. Capital assets

	<u>2019</u>	<u>2018</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 524,500	\$ -	\$ 524,500	\$ 524,500
Buildings	8,821,487	6,117,109	2,704,378	3,167,201
Buildings - Expansion - Gatts' Lodge, Muskoka	9,549,821	409,687	9,140,134	9,154,499
Buildings - Expansion - Ancillary, Muskoka	18,277,870	1,802,339	16,475,531	17,017,507
Buildings under construction	749,352	-	749,352	94,603
Furniture and equipment - Expansion	1,253,407	260,712	992,695	1,124,392
Furniture and equipment	1,226,015	1,078,337	147,677	144,452
Computer equipment	588,766	449,146	139,619	49,715
Computer software	671,108	504,420	166,687	131,185
Trailer	17,991	12,720	5,271	6,777
Watercraft	217,496	172,006	45,491	76,122
Vehicles	185,441	117,362	68,079	6,928
Leasehold improvements	<u>1,512,478</u>	<u>1,425,942</u>	<u>86,536</u>	<u>289,653</u>
	\$ 43,595,731	\$ 12,349,512	\$ 31,245,950	\$ 31,787,534

During the year the Organization purchased and developed capital assets amounting to \$1,453,621 (2018 - \$8,555,737). These were funded from the Capital Fund and Ooch Muskoka Expansion Fund.

Costs relating to redevelopment of \$654,748 (2018 - \$94,603) are included in buildings under construction. Included in accounts payable and accrued liabilities are amounts of \$54,169 (2018 - \$39,147) relating to these capital improvements.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

8. Other assets

	<u>2019</u>	<u>2018</u>
Works of art	\$ 1,541,370	\$ 1,541,370
Cash surrender value of life insurance	<u>26,548</u>	<u>23,474</u>
	<u>\$ 1,567,918</u>	<u>\$ 1,564,844</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. The Organization is both the trustee and capital beneficiary of the trusts. The total carrying value of artwork held in irrevocable trusts at December 31, 2019 is \$1,516,370. 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. Management believes that there has been no impairment of these works of art as at December 31, 2019.

During the year the donor passed away and as per the terms of the trust agreements, the Organization assumed full ownership of the works of art.

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.

9. Donations and fundraising

Included in donations and fundraising revenue is an amount of \$602,149 (2018 - \$747,198) received related to donations in kind of which \$587,357 (2018 - \$725,918) 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 2019, the organization held a new summer gala in Muskoka. As a result, included in donations and fundraising revenue is \$528,764 (2018 - \$1,388,395) and included in fundraising and development are expenditures of \$184,206 (2018 - \$361,951) related to these events.

10. Government funding

During the year, the Organization received an Ontario Trillium Foundation grant of \$133,400 (2018 - \$Nil) to cover expenses related to the Path to Play campaign, as per an approved budget.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

11. Allocation of expenses

- (a) Salaries and benefits expenses of \$5,303,930 (2018 - \$4,624,924) have been allocated as follows:

	<u>2019</u>	<u>2018</u>
Overnight camp programs	\$ 1,171,445	\$ 885,977
In-city programs	1,358,494	1,122,019
Site operating costs	371,877	316,662
Fundraising and development - general	1,299,591	1,200,494
Fundraising and development - expansion	239,136	304,916
Administrative, office and general	815,935	750,228
Rental	<u>47,452</u>	<u>44,629</u>
	<u>\$ 5,303,930</u>	<u>\$ 4,624,924</u>

- (b) Other expenses (including occupancy and communication costs, office supplies, computer maintenance and staff training and development costs) of \$ 1,120,068 (2018 - \$1,005,969) have been allocated as follows:

	<u>2019</u>	<u>2018</u>
Overnight camp programs	\$ 183,636	\$ 149,760
In-city programs	496,090	466,106
Fundraising and development - general	161,364	138,647
Fundraising and development - expansion	66,492	62,023
Administrative, office and general	186,591	165,366
Rental	<u>25,894</u>	<u>24,067</u>
	<u>\$ 1,120,068</u>	<u>\$ 1,005,969</u>

12. Financial instruments

The Organization is exposed to various risk through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentration as at December 31, 2019.

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 and accrued liabilities. 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.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

12. Financial instruments (continued)

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 6). 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.

13. 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:

2020	\$ 376,798
2021	419,465
2022	419,465
2023	421,279
2024	456,354
2025	<u>316,800</u>
	<u>\$ 2,410,161</u>

- (b) The Organization has entered into various contracts for campsite development, capital asset purchases and capital improvements, to be funded from the Ooch Muskoka Expansion Fund, for \$41,465 (plus applicable HST).

The Organization may use the General Fund for ongoing expansion expenditures in the 2020 fiscal year and beyond.

Camp Oochigeas

Notes to the Consolidated Financial Statements

December 31, 2019

14. Subsequent events

Amalgamation with the Camp Trillium

On January 1, 2020, the Organization amalgamated with Camp Trillium. The merger will enable the new, combined organization to deepen support for families, result in camp programs in more communities, including eight hospitals across Ontario, and bring more children and their families to overnight camps.

The Camp Trillium December 31, 2019 audited financial statements reported donation revenue of \$1,975,991, total assets of \$2,833,557, and net assets of \$2,524,413. As the amalgamation is effective January 1, 2020, these numbers are not reflected in the Organization's audited financial statements as at December 31, 2019.

15. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect overall prior year earnings or fund allocations.