# CAMP MINI-YO-WE INC.

## FINANCIAL STATEMENTS

### SEPTEMBER 30, 2022

**INDEX**



NORTON McMULLEN
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
Camp Mini-Yo-We Inc.
PORT SYDNEY
Ontario

*Qualified Opinion*
We have audited the accompanying financial statements of Camp Mini-Yo-We Inc. which comprise the statement of financial position as at September 30, 2022 and the statement of changes in fund balances, statement of operations and changes in fund balances - operating fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the entity as at September 30, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Basis for Qualified Opinion*
In common with many not-for-profit organizations, Camp Mini-Yo-We derives revenue in the form of contributions, 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 entity. Therefore, we were not able to determine whether any adjustments might be necessary to contributions revenue, excess (deficiency) of revenues over expenses, and cash flows from operations for the years ended September 30, 2022 and 2021, current assets as at September 30, 2022 and 2021, and fund balances as at October 1 and September 30 for both the 2022 and 2021 years.

Our audit opinion on the financial statements for the year ended September 30, 2021 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 Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other 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.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity 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 entity'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 entity'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 entity'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 entity 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.

Norton McMullen LLP

NORTON McMULLEN LLP
Chartered Professional Accountants, Licensed Public Accountants

MARKHAM, Canada
January 16, 2023

## CAMP MINI-YO-WE INC.

### STATEMENT OF FINANCIAL POSITION

**As at September 30,**

| | Operating Fund | Capital Asset Fund | Endowment Fund | Legacy Fund | Total 2022 | Total 2021 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **Current** | | | | | | |
| Cash | $ 506,921 | $ - | $ - | $ 218,409 | $ 725,330 | $ 558,849 |
| Temporary investments (Note 2) | - | - | 42,062 | 1,500,000 | 1,542,062 | 2,548,300 |
| Receivables | 72,777 | - | - | - | 72,777 | 74,947 |
| Inventories | 47,026 | - | - | - | 47,026 | 12,715 |
| Prepaid expenses (Note 3) | 79,591 | - | - | - | 79,591 | 57,090 |
| | $ 706,315 | $ - | $ 42,062 | $ 1,718,409 | $ 2,466,786 | $ 3,251,901 |
| **Capital Assets** (Note 4) | - | 3,201,798 | - | - | 3,201,798 | 2,522,265 |
| | $ 706,315 | $ 3,201,798 | $ 42,062 | $ 1,718,409 | $ 5,668,584 | $ 5,774,166 |
| **LIABILITIES** | | | | | | |
| **Current** | | | | | | |
| Accounts payable and accrued liabilities | $ 69,044 | $ - | $ - | $ - | $ 69,044 | $ 49,588 |
| Government remittances payable | 159,117 | - | - | - | 159,117 | 26,586 |
| Deferred revenue (Note 6) | 209,698 | - | - | - | 209,698 | 389,928 |
| Current portion of obligation under capital lease (Note 7) | - | 9,890 | - | - | 9,890 | - |
| Current portion of long-term debt (Note 8) | 47,144 | - | - | - | 47,144 | - |
| | $ 485,003 | $ 9,890 | $ - | $ - | $ 494,893 | $ 466,102 |
| **Obligation Under Capital Lease** (Note 7) | - | 45,376 | - | - | 45,376 | - |
| **Long-Term Debt** (Note 8) | 134,289 | - | - | - | 134,289 | 181,433 |
| | $ 619,292 | $ 55,266 | $ - | $ - | $ 674,558 | $ 647,535 |
| **Fund Balances** | | | | | | |
| Unrestricted | $ 87,023 | $ - | $ - | $ - | $ 87,023 | $ 56,066 |
| Internally restricted | - | 3,146,532 | - | 1,718,409 | 4,864,941 | 5,022,265 |
| Externally restricted | - | - | 42,062 | - | 42,062 | 48,300 |
| | $ 87,023 | $ 3,146,532 | $ 42,062 | $ 1,718,409 | $ 4,994,026 | $ 5,126,631 |
| | $ 706,315 | $ 3,201,798 | $ 42,062 | $ 1,718,409 | $ 5,668,584 | $ 5,774,166 |

**Contingency** (Note 11)

Approved by the Board:

____________________ Director      ____________________ Director

**See accompanying notes**

## CAMP MINI-YO-WE INC.

### STATEMENT OF CHANGES IN FUND BALANCES

**For the year ended September 30, 2022**

| | Balance Beginning | Revenues | Expenses | Transfers (Note 9) | Balance Ending |
|---|---|---|---|---|---|
| **Unrestricted** | | | | | |
| Operating Fund | $ 56,066 | $ 2,499,540 | $ 2,453,339 | $ (15,244) | $ 87,023 |
| **Internally Restricted** | | | | | |
| Capital Asset Fund | $ 2,522,265 | $ - | $ 172,568 | $ 796,835 | $ 3,146,532 |
| Legacy Fund | 2,500,000 | - | - | (781,591) | 1,718,409 |
| | $ 5,022,265 | $ - | $ 172,568 | $ 15,244 | $ 4,864,941 |
| **Externally Restricted** | | | | | |
| Endowment Fund | $ 48,300 | $ - | $ 6,238 | $ - | $ 42,062 |
| **TOTALS** | $ 5,126,631 | $ 2,499,540 | $ 2,632,145 | $ - | $ 4,994,026 |
| PRIOR YEAR TOTALS | $ 1,796,326 | $ 5,454,408 | $ 2,124,103 | $ - | $ 5,126,631 |

**See accompanying notes**

# CAMP MINI-YO-WE INC.

## OPERATING FUND

## STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

| For the year ended September 30, | 2022 | 2021 |
|---|---|---|
| **REVENUES** | | |
| Summer camp fees and sponsorships | **$ 1,684,968** | $ 356,615 |
| Operating donations | **391,212** | 555,827 |
| Outdoor Centre | **185,389** | 23,305 |
| Tuck shop | **138,721** | 25,811 |
| Seasonal staff donations | **30,865** | 34,780 |
| Miscellaneous | **41,219** | 28,322 |
| Bus/Van revenue | **19,566** | - |
| Government assistance (Note 12) | **7,954** | 395,646 |
| | **$ 2,499,894** | $ 1,420,306 |
| **EXPENSES** | | |
| Staff and benefits | **$ 1,058,278** | $ 1,001,263 |
| Facility | **347,190** | 397,302 |
| Food and kitchen | **357,732** | 181,711 |
| Administration | **294,693** | 250,546 |
| Program | **209,763** | 83,421 |
| Promotion | **121,776** | 25,560 |
| Tuck shop | **62,069** | 32,034 |
| Interest on obligation under capital lease | **1,838** | - |
| Interest on long-term debt | **-** | 1,959 |
| | **$ 2,453,339** | $ 1,973,796 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:** | **$ 46,555** | $ (553,490) |
| Gain (loss) on disposition of capital assets | **(354)** | 4,027,541 |
| **EXCESS OF REVENUES OVER EXPENSES** | **$ 46,201** | $ 3,474,051 |
| Interfund transfers (Note 9) | **(15,244)** | (2,637,397) |
| **NET CHANGE FOR THE YEAR** | **$ 30,957** | $ 836,654 |
| **FUND BALANCE** - Beginning | **56,066** | (780,588) |
| **FUND BALANCE** - Ending | **$ 87,023** | $ 56,066 |

See accompanying notes

## CAMP MINI-YO-WE INC.

### STATEMENT OF CASH FLOWS

| For the year ended September 30, | 2022 | 2021 |
|---|---|---|
| **CASH AND CASH EQUIVALENTS WERE PROVIDED BY (USED IN):** | | |
| **OPERATING ACTIVITIES** | | |
| Excess (deficiency) of revenues over expenses: | | |
| Operating Fund | $ 46,201 | $ 3,474,051 |
| Endowment Fund | (6,238) | 6,561 |
| Capital Asset Fund | (172,568) | (150,307) |
| | $ (132,605) | $ 3,330,305 |
| Items not affecting cash: | | |
| Amortization | 172,568 | 150,307 |
| CEBA loan forgiveness | - | (10,000) |
| Gain/loss on investments | 6,238 | (6,561) |
| Gain (loss) on disposition of capital assets | 354 | (4,027,541) |
| | $ 46,555 | $ (563,490) |
| Net change in non-cash working capital balances: | | |
| Receivables | 2,170 | (5,214) |
| Inventory | (34,311) | 12,124 |
| Prepaid expenses | (22,501) | (23,416) |
| Accounts payable and accrued liabilities | 19,456 | (1,282) |
| Government remittances payable | 132,531 | 13,007 |
| Deferred revenue | (180,230) | (151,641) |
| | $ (36,330) | $ (719,912) |
| **INVESTMENT ACTIVITIES** | | |
| Purchase of capital assets | $ (781,945) | $ (143,708) |
| Proceeds on sale of capital assets | - | 4,032,541 |
| Purchase (redemption) of investments | 1,000,000 | (2,500,000) |
| | $ 218,055 | $ 1,388,833 |
| **FINANCING ACTIVITIES** | | |
| Repayment of obligation under capital lease | $ (15,244) | $ - |
| Payments on long-term debt | - | (674,638) |
| Proceeds from loan payable | - | 141,433 |
| Proceeds from CEBA loan | - | 20,000 |
| | $ (15,244) | $ (513,205) |
| **INCREASE IN CASH** | $ 166,481 | $ 155,716 |
| **CASH** - Beginning | 558,849 | 403,133 |
| **CASH** - Ending | $ 725,330 | $ 558,849 |

See accompanying notes

**NATURE OF OPERATIONS**

Camp Mini-Yo-We Inc. (the "Camp") is a Christian camp whose mission is to develop tomorrow's leaders through life changing adventures in God's creation.

The Camp is incorporated as an organization without share capital under the laws of Ontario. It is a registered charitable organization (RN #11904 1721) under Paragraph 149.1(1) of The Income Tax Act (Canada) and is therefore exempt from income taxes.

1. **SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) **Fund Accounting**

The Camp uses the fund accounting method. Revenues and expenses are reported according to the fund with which the amounts relate. The Operating Fund reports activity from operations and all other activities not reported in other funds.

Restricted funds are either internally restricted at the discretion of the Board of Directors or externally restricted reporting contributions and other amounts over which the Camp does not have complete control and discretion due to restrictions imposed by donors, contributors or other outside parties according to the express purpose for which the funds were created. The restricted funds include the following:

i) **Capital Asset Fund**

The Capital Asset Fund reports capital assets and expenses directly related to capital assets.

ii) **Endowment Fund**

Endowment contributions are reported in the Endowment Fund. Investment income and capital appreciation on investments in the Endowment Fund is to be expended on camper sponsorship. The capital of these funds is to be maintained under the terms of each endowment; in the event of a loss on investments, no sponsorships will be paid until the investments recover their original value of $43,806.

iii) **Legacy Fund**

The Legacy Fund is an internally restricted fund to be utilized at the Board's discretion for revenues and expenditures not provided for in the annual operating budget.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

b) **Revenue Recognition**

The Camp follows the restricted fund method of accounting for contributions. Externally restricted contributions are recognized as revenue in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenue in the Operating Fund. Restricted contributions for which there is no fund are accounted for using the deferral method.

Summer camp fees, sponsorships, outdoor centre fees, tuck shop and bus/van revenues are recognized in the Operating Fund as revenue when the services are provided and collection is reasonably assured. Amounts received for services to be provided in a future period are recognized as deferred revenue.

c) **Cash and Cash Equivalents**

Cash and cash equivalents consist of bank balances, including bank overdrafts when bank balances fluctuate from being positive to overdrawn.

d) **Inventories**

Inventories, consisting of tuck and food, are measured at the lower of cost and net realizable value with cost being determined on a first-in, first-out basis.

e) **Capital Assets**

Purchased capital assets are recorded in the Capital Asset Fund at cost. For assets under capital lease, cost equals lower of the present value of future minimum lease payments and the fair value of the assets acquired at the inception of the lease. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is being provided over the estimated useful life of the assets using the following annual rates and methods:

| | Rate | Method |
|---|---|---|
| Buildings | 10 to 40 years | Straight-line |
| Equipment | 5 to 40 years | Straight-line |
| Automotive equipment | 4 to 10 years | Straight-line |

f) **Donations in Kind and Contributed Services**

Donations in kind are recorded at fair value when fair value can be reasonably estimated and in the case of materials and services, when the materials and services would be normally purchased by the Camp and would be paid for if not donated.

Volunteers contribute substantial amounts of time to assist the Camp in carrying out its activities. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

1. **SIGNIFICANT ACCOUNTING POLICIES** - Continued

g) **Impairment of Capital Assets**

When a tangible capital asset no longer contributes to an organization's ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset's fair value or replacement cost.

h) **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions based on currently available information. Such estimates and assumptions affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates used. Significant estimates include the estimated useful life of capital assets.

i) **Financial Instruments**

**Measurement of Financial Instruments**
The Camp initially measures all of its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. The Camp subsequently measures all of its financial assets and liabilities at amortized cost, with the exception of temporary investments held in mutual funds which are measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenses in the applicable fund.

Financial assets subsequently measured at amortized cost include cash, receivables, temporary investments held in GICs and the cash surrender value of life insurance. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, and long-term debt.

Other than temporary investments held in mutual funds, the Camp has no financial assets measured at fair value and has not elected to carry any other financial asset or liability at fair value.

**Impairment**
Financial assets measured at amortized cost are tested for impairment when events or circumstances indicate possible impairment. Write-downs, if any, are recognized in excess (deficiency) of revenues over expenses and may be subsequently reversed to the extent that the net effect after the reversal is the same as if there had been no write-down. There are no impairment indicators in the current year.

## 2. TEMPORARY INVESTMENTS

Temporary investments of the Endowment Fund consist of a portfolio of balanced mutual funds and are measured at fair value.

Temporary investments of the Legacy Fund consist of Guaranteed Investment Certificates (GICs) measured at amortized cost as follows:

| | **2022** | 2021 |
|---|---|---|
| GIC bearing interest at 2.9% and maturing March 17, 2023 | **$ 500,000** | $ - |
| GIC bearing interest at 3.15% and maturing June 20, 2023 | **500,000** | - |
| GIC bearing interest at 3.15% and maturing August 21, 2023 | **500,000** | - |
| GIC bearing interest at 0.2% and matured June 20, 2022 | **-** | 2,500,000 |
| | **$ 1,500,000** | $ 2,500,000 |

## 3. PREPAID EXPENSES

Included in prepaid expenses is the cashable value of the life insurance policies of $26,554 (2021 - $26,554). See Note 10.

## 4. CAPITAL ASSETS

Capital assets consist of the following:

| | **2022** | | | 2021 |
|---|---|---|---|---|
| | **Cost** | **Accumulated Amortization** | **Net Book Value** | Net Book Value |
| Land | **$ 53,900** | **$ -** | **$ 53,900** | $ 53,900 |
| Buildings | **4,166,085** | **1,543,976** | **2,622,109** | 2,222,759 |
| Equipment | **846,265** | **553,844** | **292,421** | 225,765 |
| Automotive equipment | **266,313** | **253,717** | **12,596** | 19,841 |
| Assets under capital lease | **70,510** | **7,051** | **63,459** | - |
| Assets under construction | **157,313** | **-** | **157,313** | - |
| | **$ 5,560,386** | **$ 2,358,588** | **$ 3,201,798** | $ 2,522,265 |

Assets under construction will not be subject to amortization until such time as the asset is completed and put into service.

## 5. BANK CREDIT FACILITY

The Camp has a bank credit facility made available in the form of a $230,000 revolving demand operating loan bearing interest at prime plus 1.25%. As security for the bank credit facility, the Camp has given a collateral first mortgage on the main property limited to $500,000 and a general security agreement over the assets of the Camp.

At year end, the balance on the revolving demand operating loan is $Nil (2021 - $Nil).

## 6. DEFERRED REVENUE

Deferred revenue consists of deposits received for services to be provided in subsequent years. The change in the deferred revenue balance for the year is as follows:

| | **2022** | 2021 |
|---|---|---|
| Balance - Beginning | **$ 389,928** | $ 541,569 |
| Amounts recognized as revenue - Operating Fund | **(389,928)** | (202,507) |
| Returned to customers | **-** | (281,775) |
| Current year deferred revenue | **209,698** | 332,641 |
| Balance - Ending | **$ 209,698** | $ 389,928 |

## 7. OBLIGATION UNDER CAPITAL LEASES

The obligation under capital lease consists of the following:

| | **2022** | 2021 |
|---|---|---|
| Equipment lease, bearing interest at 3.7%, repayable in monthly instalments of $981 including interest, with a purchase option of $4 at maturity in November 2027 | **$ 55,266** | $ - |
| Less: Current portion | **9,890** | - |
| | **$ 45,376** | $ - |

## 7. OBLIGATION UNDER CAPITAL LEASES - Continued

Future minimum lease payment requirements for each of the next five years and thereafter are as follows:

| | |
|---|---|
| 2023 | $ **11,768** |
| 2024 | **11,768** |
| 2025 | **11,768** |
| 2026 | **11,768** |
| 2027 | **11,768** |
| Thereafter | **1,964** |
| | $ **60,804** |
| Less: Interest included therein | **5,538** |
| | $ **55,266** |

## 8. LONG-TERM DEBT

Long-term debt consists of the following:

| | 2022 | 2021 |
|---|---|---|
| FedNor loan payable bearing no interest, repayable in three annual installments of $47,144 beginning June 30, 2023 | $ **141,433** | $ 141,433 |
| Canada Emergency Business Account loan payable bearing no interest, due December 2023. Should the Camp not repay the loan by December 2023, an additional $20,000 will be payable. | **40,000** | 40,000 |
| | $ **181,433** | $ 181,433 |
| Less: Current portion | **47,144** | - |
| | $ **134,289** | $ 181,433 |

Principal repayment requirements over the next three years are as follows:

| | |
|---|---|
| 2023 | $ **47,144** |
| 2024 | **87,145** |
| 2025 | **47,144** |
| | $ **181,433** |

## 9. INTER-FUND TRANSFERS

Inter-fund transfers during the year are as follows:

| Reference | Operating Fund | Capital Asset Fund | Legacy Fund |
|---|---|---|---|
| a) | $ - | $ 781,591 | $ (781,591) |
| b) | (15,244) | 15,244 | - |
| | $ (15,244) | $ 796,835 | $ (781,591) |

a) The Legacy Fund transferred $781,591 (2021 - $Nil) to the Capital Asset Fund to cover the net capital asset acquisitions.

b) The Operating Fund transferred $15,244 (2021 - $Nil) to the Capital Asset Fund to cover the net repayment of obligation under capital lease

## 10. FINANCIAL INSTRUMENTS

### Risks and Concentrations

The Camp is exposed to various risks through its financial instruments. The following analysis provides a summary of the Camp's exposure to and concentrations of risk at September 30, 2022:

a) **Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Camp's main credit risks relate to its receivables. The Camp provides credit to its clients in the normal course of operations. There were no concentrations of credit risk as at September 30, 2022. There has been no change in the assessment of credit risk from the prior year.

b) **Liquidity Risk**

Liquidity risk is the risk that the Camp will encounter difficulty in meeting obligations associated with financial liabilities. The Camp is exposed to this risk mainly with respect to its accounts payable and accrued liabilities and long-term debt. The Camp manages this risk by managing its working capital, ensuring that sufficient credit is available, and by generating sufficient cash flow from operations. There has been no change in the assessment of liquidity risk from the prior year.

10. **FINANCIAL INSTRUMENTS** - Continued

c) **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 price risk. The Camp is mainly exposed to interest rate risk and price risk as follows:

i) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As described in Notes 5 and 7, the Camp is exposed to interest rate risk with respect to its bank credit facility and long-term debt. The Camp's interest rate risk is being mitigated as contributions equivalent to the interest expense on the mortgage payable are being received. The exposure to this risk fluctuates as the debt and related interest rates change from year to year.

ii) **Price Risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Camp is exposed to price risk through its mutual fund holdings. The exposure to this risk fluctuates as the Camp's investments change from year to year.

11. **CONTINGENCY**

The Camp owns and is the beneficiary of life insurance policies worth approximately $1,000,000. Insurance proceeds paid to the Camp on these policies will be taken revenue when received.

12. **IMPACT OF COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. In many countries, including Canada, many businesses and organizations are being forced to cease or limit operations for extended or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services, have triggered significant disruptions to the economy. The Camp has been active in monitoring and assessing the impact of the pandemic on operations and has taken necessary steps to reduce expenditures where appropriate. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences as well as their potential impact on the financial position and results of the Camp for future periods. The Camp is committed to adjusting operations, managing its working capital, and obtaining sufficient credit to ensure continued financial viability.

During the year, the Camp recognized $7,954 (2021 - $385,646) of wage subsidy and $Nil (2021 - $10,000) of loan forgiveness as part of the federal government's COVID-19 response assistance programs.