MANITOBA CAMPING ASSOCIATION INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Manitoba Camping Association Inc.:

Qualified Opinion
We have audited the financial statements of Manitoba Camping Association Inc. (the Association), which comprise the statement of financial position as at December 31, 2023, and the statement of operations, statement of changes in net assets 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 possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion
In common with many not-for-profit organizations, the Association derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, difference between revenue and expenses and cash flows from operating activities for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022 and net assets as at December 31, 2023 and 2022 and January 1, 2022.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association’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 Association’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 Association 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.

Scarrow & Donald LLP

Chartered Professional Accountants
April 5, 2024
Winnipeg, Manitoba

MANITOBA CAMPING ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

	December 31	
	2023	**2022**
ASSETS		
Current assets:		
Cash	$ 428,511	$ 515,372
Marketable securities (Note 3)	206,952	100,484
Accounts receivable	4,370	5,311
GST receivable	5,244	5,261
Prepaid expenses	14,956	19,510
	660,033	645,938
Capital assets (Note 4)	4,968	5,613
	$ 665,001	$ 651,551
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 17,289	$ 16,667
Deferred contributions (Note 5)	4,450	382
Deferred contributions relating to capital assets (Note 6)	1,951	2,787
	23,690	19,836
Net assets:		
Invested in capital assets	3,017	2,826
Unrestricted	638,294	628,889
	641,311	631,715
	$ 665,001	$ 651,551

APPROVED BY THE BOARD:

K Schenger ________________ **Director**

L. Slobodian ________________ **Director**

MANITOBA CAMPING ASSOCIATION INC.

STATEMENT OF OPERATIONS

	Year ended December 31 2023	2022
Revenue:		
Donations	$ 148,312	$ 230,080
Government and other grants	296,982	269,616
Parent contributions	36,830	26,083
Membership fees	21,804	21,474
Programs and events	58,134	52,414
Interest (Note 7)	29,532	18,833
Government assistance (Note 8)	-	127
Province of Manitoba - Community Development Grant	-	750,000
Amortization of deferred contributions (Note 6)	836	1,194
	592,430	1,369,821
Expenses:		
Accreditation	3,141	2,016
Amortization	1,730	2,197
Camperships	211,825	144,398
Events	510	4,525
Memberships	12,093	805
Office	82,625	61,005
Programs and promotion	21,747	14,644
Province of Manitoba - Community Development Grant	-	720,000
Salaries and benefits	249,163	212,115
	582,834	1,161,705
Difference between revenue and expenses	$ 9,596	$ 208,116

MANITOBA CAMPING ASSOCIATION INC.

STATEMENT OF CHANGES IN NET ASSETS

	Invested in capital assets	Unrestricted	Year ended December 31 2023	2022
Net assets, beginning of year	$ 2,826	$ 628,889	$ 631,715	$ 423,599
Purchase of capital assets	1,085	(1,085)	-	-
Difference between revenue and expenses	(894)	10,490	9,596	208,116
Net assets, end of year	$ 3,017	$ 638,294	$ 641,311	$ 631,715

MANITOBA CAMPING ASSOCIATION INC.

STATEMENT OF CASH FLOWS

	Year ended December 31	
	2023	**2022**
Cash flow from operating activities:		
Cash received from funders and others	$ 567,071	$ 1,359,130
Cash paid to suppliers and employees	(575,911)	(1,175,294)
Interest received	23,064	18,833
	14,224	202,669
Cash flow from investing activities:		
Purchase of capital assets	(1,085)	-
Purchase of marketable securities	(100,000)	-
	(101,085)	-
Change in cash	(86,861)	202,669
Cash, beginning of year	515,372	312,703
Cash, end of year	$ 428,511	$ 515,372

1. Organization:

Manitoba Camping Association Inc. is incorporated without share capital and is a registered charity. The Association consists of a membership of many different types of camps, persons, and agencies that have bonded together to help one another. Their objectives are to promote organized camping as an education and recreational experience for personal enrichment; to act as the coordinating body for organized camping in Manitoba; to develop and encourage desirable standards for organized camping in Manitoba and; to study, interpret and communicate knowledge of regulations and developments of concern to organized camping. The Association is exempt from income taxes under Section 149(1)(f) of the Income Tax Act.

2. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the Association will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The financial statements include the following significant accounting policies:

a) Critical accounting estimates and judgments-

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

b) Revenue recognition-

Manitoba Camping Association Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Interest is recognized on a time proportion basis. Grants, parent contributions, membership fees, program and event revenue are recognized in the year they relate to and collection is reasonably assured.

c) Donated materials and services-

Donated materials and services are recorded at fair market value. Volunteer time is not recognized in the financial statements because of the difficulty of determining fair value.

2. **Significant accounting policies** (continued):

d) Capital assets-

Capital assets are recorded at cost and depreciated over their estimated useful lives, except for contributed assets which are recorded at fair market value at the time of the contribution plus all costs directly attributable to the acquisition. This requires estimation of the useful life of the asset and salvage and residual value. When a capital asset is impaired, the excess of its net carrying amount over the asset's fair value or replacement cost is recognized as an expense. As is true for all accounting estimate, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates.

Capital assets are amortized over the estimated useful lives at the following rate using a declining balance method:

Computer Equipment	30%
Signage	20%
Furniture and fixtures	20%

e) Financial instruments-

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in net income for the period incurred.

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Association may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative effect if any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Association measures cash, marketable securities, accounts receivable and accounts payable at amortized cost.

The Association assesses impairment of all its financial assets, except those measured at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest of principal payments in determining whether objective evidence of impairment exists. Impairment is included in current earnings.

3. Marketable securities:

Marketable securities are comprised of guaranteed investment certificates with rates at 3.45% and 4.55% (2022 - 0.5%) maturing between January 2024 and March 2025 (2022 - January 2023). The carrying value of these investments includes principal of $200,000 (2022 - $100,000) plus accrued interest of $6,952 (2022 - $484).

4. Capital assets:

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Computer equipment	$ 31,484	$ 27,446	$ 30,399	$ 25,948
Signage	1,856	1,001	1,856	787
Furniture and fixtures	5,126	5,051	5,126	5,033
	$ 38,466	$ 33,498	$ 37,381	$ 31,768
Net book value	$ 4,968		$ 5,613	

5. Deferred contributions:

Deferred contributions consist of unused accreditation fees received from camps, and government and other grants received during the current year that will be taken into revenue in the subsequent year.

	2023	2022
Balance, beginning of year	$ 382	$ 14,552
Amount received during the year	4,450	-
Amount recognized as revenue during the year	(382)	(14,170)
Balance, end of year	$ 4,450	$ 382

6. Deferred contributions relating to capital assets:

Deferred contributions relating to capital assets includes government and other grants received that were used to purchase capital assets. These will be taken into revenue in conjunction with the amortization of the capital assets that were purchased with the grants.

	2023	2022
Balance, beginning of year	$ 2,787	$ 3,981
Amount recognized as revenue during the year	(836)	(1,194)
Balance, end of year	$ 1,951	$ 2,787

7. Endowments:

The Winnipeg Foundation holds an endowment fund on behalf of the Association. Interest earned on this fund is reinvested into the fund on an annual basis. The market value of the fund at December 31, 2023 is $438,160 (2022 - $400,467). The Association is only entitled to receive interest earned on this fund in the amount of $19,556 (2022 - $17,873).

8. Government assistance:

The Association applied for the Canada Emergency Wage Subsidy and Canada Temporary Wage Subsidy relating to salaries paid during the year ended December 31, 2022. A wage subsidy of $127 for wage subsidies was included in revenue.

9. Lease commitments:

The Association has committed to minimum lease payments under lease agreements for its premises through 2024 as follows:

2024	$	11,200

10. Risk management:

Management's risk management policies are typically performed as a part of the overall management of the Association's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Association is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Association has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Association, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

Liquidity risk-

Liquidity risk is the risk that the Association cannot meet its financial obligations associated with financial liabilities in full. The Association's main sources of liquidity are its operations and external contributions. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Association's financial obligations associated with financial liabilities.

10. Risk management (continued)**:**

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Association has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Association also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded.

Interest rate risk-

Interest rate risk is the risk that the fair value known as interest rate price risk or future cash flows known as interest rate cash flow risk, of a financial instrument will fluctuate because of changes in market interest rates.

The Association is exposed to interest rate price risk with respect to marketable securities held at fixed rates.