

CAMP ELIM
Financial Statements
Year Ended December 31, 2018

CAMP ELIM

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Year Ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
CAMP ELIM

Qualified Opinion

We have audited the accompanying financial statements of CAMP ELIM (the "Organization"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and the 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 financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not for profit organizations, the Organization derives revenue from donations and 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 donations or fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended December 31, 2018, current assets as at December 31, 2018, and net assets as at January 1 and December 31, 2018.

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 Organization 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 opinion.

Other Matter - Comparative Information

The accompanying comparative information, which comprises the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets, and of cash flows for the year ended December 31, 2017, were audited by another auditor who expressed a qualified opinion on February 22, 2018. The basis for the qualification was a scope limitation on the completeness of donations and fundraising revenue. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 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

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 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 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 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.

CAMP ELIM
Statement of Financial Position
As at December 31, 2018

	Operating Fund		Capital Fund		Total 2018		Total 2017
ASSETS							
Current							
Cash and cash equivalents	\$ 21,812	\$	-	\$	21,812	\$	12,409
Term deposits	-		-		-		2,025
Accounts receivable (note 3)	38,174		-		38,174		44,070
Prepaid expenses	8,338		-		8,338		8,982
	68,324		-		68,324		67,486
Equity in Co-operative	100		-		100		100
Tangible capital assets (note 4)	-		593,677		593,677		619,217
	\$ 68,424	\$	593,677	\$	662,101	\$	686,803

LIABILITIES AND NET ASSETS

Current liabilities							
Accounts payable (note 5)	\$ 9,919	\$	-	\$	9,919	\$	-
Revolving loan (note 6)	-		90,251		90,251		125,140
	9,919		90,251		100,170		125,140
Net assets							
Operating fund	58,505		-		58,505		67,586
Capital fund	-		503,426		503,426		494,077
	58,505		503,426		561,931		561,663
	\$ 68,424	\$	593,677	\$	662,101	\$	686,803

See accompanying notes to the financial statements

Approved by:

Director: _____

Director: _____

CAMP ELIM
Statement of Changes in Net Assets
For the year ended December 31, 2018

	Operating Fund	Capital Fund	2018 Total	2017 Total
Net assets, beginning of year	\$ 67,586	\$ 494,077	\$ 561,663	\$ 586,634
Excess (deficiency) of revenue over expenses	41,386	(41,118)	268	(24,971)
Interfund transfers	(50,467)	50,467	-	-
Net assets, end of the year	\$ 58,505	\$ 503,426	\$ 561,931	\$ 561,663

See accompanying notes to the financial statements

CAMP ELIM
Statement of Operations
For the year ended December 31, 2018

	Operating Fund	Capital Fund	2018 Total	2017 Total
Revenue				
Lease fees	\$ 97,716	\$ -	\$ 97,716	\$ 100,419
Taxes from leases	64,513	-	64,513	64,389
Camp fees	25,457	-	25,457	20,401
Donations	22,780	-	22,780	11,963
Rentals	18,695	-	18,695	18,040
Transfer and development fees	6,046	-	6,046	-
Fundraising	4,266	-	4,266	4,036
Mennonite Church Saskatchewan grant	2,429	-	2,429	1,765
Miscellaneous	978	-	978	144
Interest	45	-	45	42
	242,925	-	242,925	221,199
Expenses				
Property tax	69,501	-	69,501	69,121
Wages and benefits	63,023	-	63,023	52,971
Amortization	-	36,056	36,056	36,611
Utilities	20,724	-	20,724	16,046
Maintenance	14,910	-	14,910	22,569
Program	12,781	-	12,781	15,745
Insurance	10,879	-	10,879	9,049
Professional fees	5,310	-	5,310	5,423
Interest	137	5,062	5,199	5,221
Bad debts	1,885	-	1,885	6,711
Administration	603	-	603	1,468
Mileage	580	-	580	664
Fundraising	450	-	450	1,288
Miscellaneous	444	-	444	2,777
Advertising	312	-	312	398
Linens and supplies	-	-	-	108
	201,539	41,118	242,657	246,170
Excess (deficiency) of revenue over expenses	\$ 41,386	\$ (41,118)	\$ 268	\$ (24,971)

See accompanying notes to the financial statements

CAMP ELIM
Statement of Cash Flows
For the year ended December 31, 2018

	2018	2017
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ 268	\$ (24,971)
Items not affecting cash:		
Amortization	36,056	36,611
Changes in non-cash working capital:		
Accounts receivable	5,896	16,962
Term deposits	2,025	(20)
Prepaid expenses	644	(1,203)
Accounts payable	9,919	(126)
	54,808	27,253
Cash flows from investing activities		
Purchase of capital assets	(10,516)	(14,445)
Net cash used in investing activities	(10,516)	(14,445)
Cash flows from financing activities		
Repayment of revolving loan	(34,889)	(16,550)
Net cash used in financing activities	(34,889)	(16,550)
Net increase (decrease) in cash and cash equivalents	9,403	(3,742)
Cash and cash equivalents at the beginning of the year	12,409	16,151
Cash and cash equivalents at the end of the year	21,812	12,409

See accompanying notes to the financial statements

CAMP ELIM
Notes to the Financial Statements
Year Ended December 31, 2018

1. DESCRIPTION OF ORGANIZATION

Camp Elim (the "Organization") is situated on Lake Pelletier, 48 kilometres southwest of Swift Current. The Organization runs youth camps offering a wide variety of sport and recreational activities. The Organization is an accredited member of the Saskatchewan Camping Association that recognizes high standards that are maintained at their facility.

The Organization is primarily supported by Zion Mennonite Church in Swift Current and by Emmaus Mennonite Church in Wymark. There are eight members from these two churches who serve on the Board which control the operations of the camp. Mennonite Church Saskatchewan owns and governs the Organization. Mennonite Church Saskatchewan is an area conference of Mennonite churches in Saskatchewan constituted by a private act of the legislature of Saskatchewan.

The operations of the various divisions of Mennonite Church of Saskatchewan are reflected in separate unconsolidated audited financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian Accounting Standards for not for profit organizations (ASNPO) and include the following significant accounting policies:

Basis of presentation

The accounts of the Organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following funds:

Operating fund

Revenue and expenses relating to program delivery, administration and special projects are reported in the operating fund. All assets and liabilities other than tangible capital assets are recorded under the operating fund unless restricted by an external source.

Capital fund

The capital fund recognizes resources that have been invested in tangible capital assets. These resources will increase for capital purchases and donations directly related to capital assets and will be reduced by amortization charges and the net book value of capital asset sales as well as debt held which was used to purchase capital assets.

Cash and cash equivalents

For the purposes of these financial statements, cash and cash equivalents are composed strictly of cash, plus outstanding deposits, less outstanding cheques.

Accounts receivable

Accounts receivable are shown net of allowance for doubtful accounts, if any.

CAMP ELIM
Notes to the Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization of tangible capital assets is recorded in the Capital fund. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Elim lodge	2%	straight line
Buildings and equipment	4%	straight line
Equipment	10% to 55%	straight line
Furniture and appliances	10%	straight line
MDS building	4%	straight line
Vehicles	7%	straight line

In the year of acquisition, only one-half of the stated rate is applied to the additions. The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Legal ownership of the tangible capital assets of Camp Elim is with Mennonite Church Saskatchewan. Tangible capital assets are reported on this Organization's financial statements because they are physically on the premises of the Organization and the Organization benefits from the usage of the assets for its daily operations. These assets are not reported on Mennonite Church Saskatchewan's unconsolidated financial statements.

Impairment

A long lived asset is tested for impairment whenever events or changes in circumstances indicates that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting for its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long lived asset exceeds its fair value. There are no impairment indicators in the current year.

Revenue recognition

Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Camp fees, rentals, and lease fees are recognized as revenue as the services are provided and collection is reasonably assured. Government grants, donations, and fundraising revenue are recognized when they are received.

Income taxes

Due to the nature of the activities as a non profit organization, the Organization is exempt from income tax.

CAMP ELIM
Notes to the Financial Statements
Year Ended December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated materials and services

The Organization receives a significant amount of donated materials and services from its directors and supporters.

Donated materials and services are recorded at fair value, when fair value can be reasonably estimated and when the materials and services are normally purchased. The value of donated services for which fair value can not be reasonably estimated is not reflected in these financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for calculating amortization.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the Organization may undertake in the future, and other assumptions that they believe are reasonable under the circumstances. Actual results could differ from those estimates.

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures its financial assets and financial liabilities at cost or amortized cost, except for those which are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and cash equivalents and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and revolving loan. There are no financial assets or liabilities subsequently measured at fair value.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

CAMP ELIM
Notes to the Financial Statements
Year Ended December 31, 2018

3. ACCOUNTS RECEIVABLE

	2018	2017
Trade receivables	\$ 25,786	\$ 31,764
GST receivable	12,143	9,082
NSF receivable	245	245
Payroll overpayments receivable	-	2,979
	\$ 38,174	\$ 44,070

Accounts receivable are recorded net of doubtful accounts, if any. In 2018 the allowance for doubtful accounts was \$ NIL (2017 - \$ NIL).

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Land	\$ 11,122	\$ -	\$ 11,122	\$ 11,122
Buildings and equipment	607,177	281,295	325,882	336,437
MDS Building - under construction	235,555	18,849	216,706	226,128
Vehicles	48,300	23,310	24,990	25,371
Equipment	24,367	11,698	12,669	15,541
Furniture and appliances	23,103	20,795	2,308	4,618
	\$ 949,624	\$ 355,947	\$ 593,677	\$ 619,217

5. ACCOUNTS PAYABLE

	2018	2017
Accounts payable	\$ 3,340	\$ -
Payroll remittances payable	6,579	-
	\$ 9,919	\$ -

6. REVOLVING LOAN

The Organization has a revolving loan with Mennonite Trust Ltd. limited to \$ 200,000. The loan is secured by the specific building registered with ISC title #133982107. Interest calculated on the outstanding balance at a floating interest rate of 4.40%. The outstanding balance is \$ 90,000, plus accrued interest of \$ 251 at December 31, 2018 (2017 - \$ 125,140). The Organization is not required to make regular monthly payments provided the balance remains under the authorized limit.

CAMP ELIM

Notes to the Financial Statements
Year Ended December 31, 2018

7. FINANCIAL RISKS

The Organization, as part of its operations, carries a number of financial instruments. It is the board of director's opinion that the Organization is not exposed to significant interest or credit risk arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Organization is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position.

Credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of accounts receivable. The maximum credit risk is \$ 26,031 (2017 - \$32,009). The Organization believes that there is minimal risk associated with the collection of these amounts as it performs regular credit assessments.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Organization is exposed to interest rate risk on its revolving loan which carries a floating interest rate.

9. COMPARATIVE FIGURES

The prior year financial statements were reported on by another firm of chartered professional accountants. Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.