

CAMP ELIM

Financial Statements

Year Ended December 31, 2022

(Unaudited)

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CAMP ELIM

Index to the Financial Statements
Year Ended December 31, 2022
(Unaudited)

	Page
Independent Practitioner's Review Engagement Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11



Independent Practitioner's Review Engagement Report

To the Directors of CAMP ELIM

We have reviewed the financial statements of CAMP ELIM (the "Organization"), that comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion of the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

In common with many not-for-profit organizations, CAMP ELIM derives revenue from fundraising activities and donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of CAMP ELIM. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. Our review conclusion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of CAMP ELIM as at December 31, 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.



SASKATOON, CANADA
March 8, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

CAMP ELIM

Statement of Financial Position as at December 31, 2022
(Unaudited)

	Operating Fund	Capital Fund	Total 2022	Total 2021
ASSETS				
Current assets				
Cash and cash equivalents	\$ 76,977	\$ -	\$ 76,977	\$ 69,281
Accounts receivable (note 3)	5,835	-	5,835	4,421
Prepaid expenses	10,012	-	10,012	10,162
	92,824	-	92,824	83,864
Patronage equity	100	-	100	100
Tangible capital assets (note 4)	-	513,039	513,039	546,936
	\$ 92,924	\$ 513,039	\$ 605,963	\$ 630,900
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable (note 5)	\$ 2,567	\$ -	\$ 2,567	\$ 2,127
Customer deposits	5,025	-	5,025	-
Revolving loan (note 6)	-	69,577	69,577	70,738
	7,592	69,577	77,169	72,865
Net assets				
Operating fund	85,332	-	85,332	81,837
Capital fund	-	443,462	443,462	476,198
	85,332	443,462	528,794	558,035
	\$ 92,924	\$ 513,039	\$ 605,963	\$ 630,900

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, 2022
(Unaudited)

	Operating Fund	Capital Fund	2022 Total	2021 Total
Net assets, beginning of year	\$ 81,837	\$ 476,198	\$ 558,035	\$ 540,070
Excess (deficiency) of revenue over expenses	15,861	(45,102)	(29,241)	17,965
Revolving loan principal and interest	(4,500)	4,500	-	-
Purchase of tangible capital assets	(7,866)	7,866	-	-
Net assets, end of the year	\$ 85,332	\$ 443,462	\$ 528,794	\$ 558,035

See accompanying notes to the financial statements

CAMP ELIM

Statement of Operations for the year ended December 31, 2022
(Unaudited)

	Operating Fund	Capital Fund	2022 Total	2021 Total
Revenue				
Leases	\$ 108,440	\$ -	\$ 108,440	\$ 108,794
Property tax reimbursements	71,573	-	71,573	67,613
Camp fees	18,752	-	18,752	-
Rentals	17,880	-	17,880	16,900
Donations	13,502	-	13,502	11,733
Student employment grant	9,637	-	9,637	-
Lease transfer fees	8,834	-	8,834	9,773
Mennonite Church Saskatchewan grant	2,400	-	2,400	-
CEWS subsidies	896	-	896	-
Patronage dividends	415	-	415	41
Interest	86	-	86	91
	252,415	-	252,415	214,945
Expenses				
Property taxes	78,205	-	78,205	74,298
Wages and benefits	71,235	-	71,235	15,924
Amortization	-	41,763	41,763	41,257
Utilities	21,363	-	21,363	12,553
Office	16,393	-	16,393	12,279
Programs	16,281	-	16,281	-
Maintenance	13,608	-	13,608	16,739
Insurance	11,661	-	11,661	10,731
Professional fees	3,929	-	3,929	6,631
Interest	27	3,339	3,366	3,803
Vehicle	2,726	-	2,726	1,500
Administration	701	-	701	954
Advertising	425	-	425	311
	236,554	45,102	281,656	196,980
Excess (deficiency) of revenue over expenses	\$ 15,861	\$ (45,102)	\$ (29,241)	\$ 17,965

See accompanying notes to the financial statements

CAMP ELIM

Statement of Cash Flows for the year ended December 31, 2022
(Unaudited)

	2022	2021
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	\$ (29,241)	\$ 17,965
Items not affecting cash:		
Amortization	41,763	41,257
Changes in non-cash working capital:		
Accounts receivable	(1,414)	33,320
Prepaid expenses	150	(46)
Accounts payable	440	(6,255)
Customer deposit	5,025	-
	<u>16,723</u>	<u>86,241</u>
Cash flows from investing activities		
Purchase of tangible capital assets	(7,866)	(738)
Net cash used in investing activities	<u>(7,866)</u>	<u>(738)</u>
Cash flows from financing activities		
Repayment of revolving loan	(1,161)	(56,762)
Net cash used in financing activities	<u>(1,161)</u>	<u>(56,762)</u>
Net increase in cash and cash equivalents	7,696	28,741
Cash and cash equivalents at the beginning of the year	69,281	40,540
Cash and cash equivalents at the end of the year	<u>\$ 76,977</u>	<u>\$ 69,281</u>

See accompanying notes to the financial statements

CAMP ELIM

Notes to Financial Statements for the year ended December 31, 2022
(Unaudited)

1. DESCRIPTION OF ORGANIZATION

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

The Organization is primarily supported by Zion Mennonite Church in Swift Current. There are eight members from this church 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 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 Financial Statements for the year ended December 31, 2022
(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided over the estimated useful life of the assets using the following rates and methods:

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

In the year of acquisition, only one-half of the stated rate is applied to the additions.

Legal ownership of the tangible capital assets of the Organization 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

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the Organization's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

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 under section 149(1)(f) of the Income Tax Act.

CAMP ELIM

Notes to Financial Statements for the year ended December 31, 2022
(Unaudited)

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, if the materials and services would have otherwise been 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 the financial statements in conformity with Canadian accountings standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reporting 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 year. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include:

- a) The useful lives of tangible capital assets and indirectly amortization.
- b) The accounts payable and indirectly expenses.

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, accounts receivable, and patronage equity. 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 amortized cost, the Organization determines whether there are indication of a possible impairment. When there are, and if the Organization determines that there has been a material adverse change in the timing or expected future cash flows during the year, an impairment loss is recognized in net income. An impairment loss that has already been recognized may be reversed. The carrying amount of the financial asset may not be greater than it would have been on the reversal date if the impairment loss had never been recognized. The amount of any reversal is recognized in net income.

CAMP ELIM

Notes to Financial Statements for the year ended December 31, 2022
(Unaudited)

3. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Trade receivables	\$ 4,197	\$ 1,778
GST receivable	1,638	1,201
Payroll overpayments receivable	-	1,442
	<u>\$ 5,835</u>	<u>\$ 4,421</u>

Accounts receivable are recorded net of doubtful accounts, if any. In 2022 the allowance for doubtful accounts was \$ NIL (2021 - \$ NIL).

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2022 Net book value</u>	<u>2021 Net book value</u>
Land	\$ 11,122	\$ -	\$ 11,122	\$ 11,122
Buildings and equipment	631,413	355,529	275,884	294,490
MDS building	235,555	56,538	179,017	188,439
Equipment	57,817	30,216	27,601	26,747
Vehicles	57,629	39,120	18,509	22,543
Furniture and appliances	34,508	33,602	906	3,595
	<u>\$ 1,028,044</u>	<u>\$ 515,005</u>	<u>\$ 513,039</u>	<u>\$ 546,936</u>

5. ACCOUNTS PAYABLE

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 2,170	\$ 2,127
Payroll deductions payable	397	-
	<u>\$ 2,567</u>	<u>\$ 2,127</u>

6. REVOLVING LOAN

The Organization has a revolving loan with Amity Trust limited to \$ 200,000. The loan is secured by the specific building registered with ISC title #139039746. Interest is paid monthly on the outstanding balance, currently at a floating interest rate of 7.25%. The outstanding balance is \$ 69,577 (2021 - \$ 70,738). The Organization is not required to make regular monthly payments provided the balance remains under the authorized limit.

CAMP ELIM

Notes to Financial Statements for the year ended December 31, 2022
(Unaudited)

7. RELATED PARTIES

Mennonite Church Saskatchewan

The Organization received \$ 288 (2021 - \$ 313) in designated contributions from Mennonite Church Saskatchewan and contributions of \$ 2,400 (2021 - \$ NIL) to subsidize expenses for running camp operations.

The Organization operates as a division of Mennonite Church Saskatchewan. Mennonite Church Saskatchewan has legal title of the land and building recorded in these statements.

Amity Trust (previously Mennonite Trust Ltd.)

The Organization has a \$ 200,000 line of credit with Amity Trust with a current balance of \$ 69,577 (2021 - \$ 70,738). During the year the Organization paid \$ 3,339 (2021 - \$ 3,737) in interest charges on the loan. The transactions were carried out in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties. The organizations are related via a director of the Organization and management of Amity Trust.

8. 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 that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization's exposure to liquidity risk is dependent on the collection of accounts receivable and donations to service purchasing commitments and loan payment obligations. Cash flow from operations provides a substantial portion of the Organization's cash requirements. Additional cash requirements are met with the use of the available operating line of credit.

The Organization's debt is structured with regularly recurring payments, secured by assets, limiting the requirement to extinguish debt in the short term. There have been no changes to liquidity risk from the prior year.

Credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of accounts receivable. The maximum credit risk is \$ 4,197 (2021 - \$ 1,778). The Organization believes that there is minimal risk associated with the collection of these amounts as it performs regular credit assessments and collects upfront deposits on select services.

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.

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