

MENNONITE YOUTH FARM BIBLE CAMP

Financial Statements

Year Ended December 31, 2022

(Unaudited)

MENNONITE YOUTH FARM BIBLE CAMP

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Year Ended December 31, 2022
(Unaudited)

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Independent Practitioner's Review Engagement Report

To the Directors of MENNONITE YOUTH FARM BIBLE CAMP

We have reviewed the financial statements of MENNONITE YOUTH FARM BIBLE CAMP (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 Statement:

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 Conclusior

In common with many not-for-profit organizations, MENNONITE YOUTH FARM BIBLE CAMP 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 MENNONITE YOUTH FARM BIBLE CAMP. 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 MENNONITE YOUTH FARM BIBLE CAMP 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

MENNONITE YOUTH FARM BIBLE CAMP
Statement of Financial Position as at December 31, 2022
(Unaudited)

ASSETS	Operating Fund	Capital Fund	Total 2022	Total 2021
Current assets				
Cash and cash equivalents (note 3)	\$ 30,556	\$ -	\$ 30,556	\$ -
Accounts receivable (note 4)	24,730	-	24,730	400
Payroll advance	-	-	-	500
Short term investments (note 5)	47,383	-	47,383	691
Horses	14,274	-	14,274	14,274
Inventory	15,400	-	15,400	8,000
Prepaid expenses	13,097	-	13,097	10,812
GST receivable	-	-	-	9,754
	145,440	-	145,440	44,431
Tangible capital assets (note 6)	-	1,299,997	1,299,997	1,253,654
	\$ 145,440	\$ 1,299,997	\$ 1,445,437	\$ 1,298,085
LIABILITIES AND NET ASSETS				
Current liabilities				
Bank indebtedness (note 3)	\$ -	\$ -	\$ -	\$ 4,418
Accounts payable (note 7)	22,825	-	22,825	16,282
GST payable	9,600	-	9,600	-
PST payable	8,616	-	8,616	5,548
Current portion of long term debt (note 8)	-	41,841	41,841	55,986
Deferred revenue	-	-	-	380
	41,041	41,841	82,882	82,614
Callable long term debt (note 8)	-	437,689	437,689	479,636
CEBA loan (note 9)	40,000	-	40,000	40,000
	81,041	479,530	560,571	602,250
Net assets				
Capital fund	-	820,467	820,467	718,032
Operating fund	64,399	-	64,399	(22,197)
	64,399	820,467	884,866	695,835
	\$ 145,440	\$ 1,299,997	\$ 1,445,437	\$ 1,298,085

See accompanying notes to the financial statements

Approved by:

Director: _____ Director: _____

MENNONITE YOUTH FARM BIBLE CAMP

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 the year	\$ (22,197)	\$ 718,032	\$ 695,835	\$ 541,570
Excess (deficiency) of revenue over expenses	299,944	(110,913)	189,031	154,265
Purchase of tangible capital assets	(157,256)	157,256	-	-
Repayment of long term debt	(56,092)	56,092	-	-
Net assets, end of the year	\$ 64,399	\$ 820,467	\$ 884,866	\$ 695,835

See accompanying notes to the financial statements

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MENNONITE YOUTH FARM BIBLE CAMP

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

	Operating Fund	Capital Fund	2022 Total	2021 Total
Revenue				
Income from operations (Schedule 1)	\$ 1,315,843	\$ -	\$ 1,315,843	\$ 1,033,636
House rental	3,050	-	3,050	9,700
Special project - Mexico trip	18,605	-	18,605	3,210
Unrealized gain on short term investments	1,692	-	1,692	-
Gain on sale of capital assets	-	-	-	900
	1,339,190	-	1,339,190	1,047,446
Expenses				
Wages and benefits	440,669	-	440,669	416,454
Programs	269,848	-	269,848	155,209
Amortization	-	110,913	110,913	94,209
Maintenance and supplies	85,788	-	85,788	48,141
Insurance	41,148	-	41,148	38,087
Mexico trip	29,956	-	29,956	659
House utilities	22,282	-	22,282	20,457
Interest on long term debt	20,909	-	20,909	14,507
Bank charges and interest	19,273	-	19,273	15,563
Office	19,616	-	19,616	14,011
Chapel utilities	15,344	-	15,344	12,072
Quonset utilities	15,020	-	15,020	8,166
Telephone	12,942	-	12,942	12,437
Truck and trailer	11,717	-	11,717	7,308
Horse program	16,427	-	16,427	20,748
Professional fees	7,954	-	7,954	6,204
Property taxes	7,127	-	7,127	7,110
Petting zoo	3,226	-	3,226	1,839
	1,039,246	110,913	1,150,159	893,181
Excess (deficiency) of revenue over expenses	\$ 299,944	\$ (110,913)	\$ 189,031	\$ 154,265

See accompanying notes to the financial statements

MENNONITE YOUTH FARM BIBLE CAMP
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	\$ 189,031	\$ 154,265
Items not affecting cash:		
Amortization	110,913	94,209
Loss (gain) on sale of capital assets	-	(900)
Changes in non-cash working capital:		
Accounts receivable	(24,330)	6,919
Payroll advance	500	300
Short term investments	(46,692)	-
Horses	-	(2,750)
Inventory	(7,400)	500
Prepaid expenses	(2,285)	315
GST receivable	19,354	7,273
Accounts payable	6,543	(7,460)
PST payable	3,068	(1,043)
Deferred revenue	(380)	(9,167)
Net cash provided by operating activities	248,322	242,461
Cash flows from investing activities		
Purchase of tangible capital assets	(157,256)	(451,338)
Proceeds from sale of capital assets	-	900
Net cash used in investing activities	(157,256)	(450,438)
Cash flows from financing activities		
Proceeds from CEBA loan	-	20,000
Forgivable portion of CEBA loan	-	(10,000)
Proceeds from long term debt	-	259,056
Repayment of long term debt	(56,092)	(66,178)
Net cash provided by (used in) financing activities	(56,092)	202,878
Net increase (decrease) in cash and cash equivalents	34,974	(5,099)
Cash and cash equivalents (indebtedness) at the beginning of the year	(4,418)	681
Cash and cash equivalents (indebtedness) at the end of the year	\$ 30,556	\$ (4,418)

See accompanying notes to the financial statements

MENNONITE YOUTH FARM BIBLE CAMP

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

1. DESCRIPTION OF ORGANIZATION

Mennonite Youth Farm Bible Camp (the "Organization") is located in Rosthern Saskatchewan. It is dedicated to providing a camp setting for youth and adults with special needs where campers learn the importance of Christian daily living and grow in their relationship to God according to Anabaptist/Mennonite theology. The Organization also provides facilities and catering services to host a wide variety of gatherings.

Mennonite Church Saskatchewan owns and governs Mennonite Youth Farm Bible Camp. Mennonite Church Saskatchewan is a 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 recorded in separate unconsolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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

The Organization's policy is to present bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less from the date of acquisition under cash and cash equivalents.

Short term investments

Short term investments are reported at the lower of cost and fair market value. Cost consists of the original purchase price plus interest accrued to the statement date.

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MENNONITE YOUTH FARM BIBLE CAMP

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

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

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. The tangible capital assets are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Buildings	4%	straight line
Land development and infrastructure	4%	straight line
Equipment	10 to 20%	straight line
Vehicles, trailers, tractors	15%	straight line
Computers equipment	55%	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 Mennonite Youth Farm Bible Camp 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.

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.
- c) The allowance for doubtful accounts and indirectly bad debts expense.

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MENNONITE YOUTH FARM BIBLE CAMP

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Camper fees, rental income, and other fees for service are recognized as revenue once the services have been provided and collection is reasonably assured. Fundraising revenues and sales merchandise and other goods are recognized as revenue when they are received.

Financial instruments

Initial and subsequent measurement

The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all 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 on a straight-line basis include accounts payable and accrued liabilities, CEBA loan, and long term debt. Short term investments have been recognized at their fair value. There are no financial 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.

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 are not reflected in these financial statements.

Income taxes

Due to the nature of the activities as a non-profit organization, the Organization is exempt from income tax under 149(1)(f) of the Income Tax Act.

MENNONITE YOUTH FARM BIBLE CAMP

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

3. CASH AND CASH EQUIVALENTS / BANK INDEBTEDNESS

	2022	2021
Cash in Affinity Credit Union bank account	\$ 15,987	\$ 142,164
Undeposited funds	15,467	2,287
Patronage equity	5	5
Cheques issued and outstanding	(903)	(148,874)
	\$ 30,556	\$ (4,418)

The Affinity Credit Union bank account has an authorized line of credit limit of \$ 30,000 with interest charged monthly at a variable rate, currently 9.45%. Interest only payments are due monthly.

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of trade receivables, net of allowance for doubtful accounts, if any. There were no allowance for doubtful accounts recorded in the current year or prior year.

5. SHORT TERM INVESTMENTS

	2022	2021
Empire Life segregated fund investments	\$ 47,383	\$ 691
	\$ 47,383	\$ 691

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 20,000	\$ -	\$ 20,000	\$ 20,000
Chapel	382,758	161,768	220,990	236,300
Riding arena	308,258	54,786	253,472	265,842
Tabernacle project	230,205	17,043	213,162	171,407
Tractor	214,580	117,481	97,099	103,069
Land development and infrastructure	185,807	12,380	173,427	168,600
Activities equipment	148,772	60,836	87,936	41,256
Vehicles and trailers	145,964	101,289	44,675	49,339
Director's house	140,672	98,827	41,845	47,472
Quonset	111,464	66,007	45,457	49,116
Cabin	81,286	52,072	29,214	32,465
Duplex house	70,000	70,000	-	-
Computer equipment	38,060	33,828	4,232	9,592
Canteen equipment	31,847	3,425	28,422	17,406
Horse barns and improvements	31,797	1,908	29,889	31,161
Quonset contents	24,500	24,500	-	-
Horse program equipment	12,850	12,850	-	-
Wood shop project	11,308	1,131	10,177	10,629
	\$ 2,190,128	\$ 890,131	\$ 1,299,997	\$ 1,253,654

MENNONITE YOUTH FARM BIBLE CAMP

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

7. ACCOUNTS PAYABLE

	2022	2021
Accounts payable	\$ 18,502	\$ 12,998
Payroll liabilities	4,323	3,284
	\$ 22,825	\$ 16,282

8. CALLABLE LONG TERM DEBT

	2022	2021
Credit Union mortgage. Payable in monthly instalments of \$ 2,014 including fixed interest at 4.14%. The mortgage was paid out in February 2022.	\$ -	\$ 4,691
Credit Union mortgage. Payable in monthly instalments of \$ 1,536 including fixed interest at 4.59%. Secured by land and buildings with a net book value of \$ 610,976. The mortgage matures December 2023.	246,169	253,234
Credit Union mortgage. Payable in monthly instalments of \$ 1,748 including fixed interest at 3.74%. Secured by land and buildings with a net book value of \$ 610,976. The mortgage matures January 2027.	162,169	175,000
Credit Union loan. Payable in monthly instalments of \$ 608 including variable interest at 7.95%. Secured by vehicle with a net book value of \$ NIL. This loan matures in February 2023.	873	7,944
De Lage Landen Financial Services loan. Payable in monthly instalments of \$ 706 including fixed interest at 5.75%. Secured by tractor with a net book value of \$ 10,629. This loan matures in March 2023.	2,099	10,194
De Lage Landen Financial Services loan. Payable in monthly instalments of \$ 170 including fixed interest at 5.99%. The loan was paid out in March 2022.	-	504
CNH Industrial Capital loan. Payable in annual instalments of \$ 18,349 including fixed interest at 2.99%. Secured by tractor with a net book value of \$ 71,998. This loan matures in October 2026.	68,220	84,055

MENNONITE YOUTH FARM BIBLE CAMP

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

8. CALLABLE LONG TERM DEBT (CONTINUED)

	2022	2021
Total debt	479,530	535,622
Current portion	41,841	55,986
Callable long term portion	\$ 437,689	\$ 479,636

Estimated loan principal payments required over the next five years are as follows:

2023	41,895
2024	40,276
2025	41,737
2026	43,251
2027	26,475
	\$ 193,634

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9. CANADA EMERGENCY BUSINESS ACCOUNT LOAN

The Organization applied for and received \$ 60,000 under the Canada Emergency Business Account (CEBA). The loan was facilitated through Affinity Credit Union. The loan is interest free until December 31, 2023 and carries a forgivable portion of \$ 20,000 if the repayable balance is paid in full before that date. After that date, if the repayable balance has not been repaid, the loan will automatically renew for an additional three years extending the maturity date to December 31, 2025 with fixed interest at a rate of 5% per annum. As per ITA s. 12(1)(x) the forgivable portion of the loan has been recognized as income on the receipt of the loan.

	2022	2021
Loan balance	\$ 60,000	\$ 60,000
Forgivable portion	(20,000)	(20,000)
Repayable balance	\$ 40,000	\$ 40,000

10. RELATED PARTY TRANSACTIONS

Mennonite Church Saskatchewan

The Organization received \$ 6,975 (2021 - \$ 2,113) in designated contributions from Mennonite Church Saskatchewan and additional contributions of \$ 7,200 (2021 - \$ NIL) to subsidize expenses for running camp operations. The Organization also charged to Mennonite Church Saskatchewan \$ 1,230 (2021 - \$ NIL) for facility usage. The transactions were recorded at the exchange amount. At the year end \$ 100 (2021 - \$ NIL) is due from Mennonite Church Saskatchewan.

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.

MENNONITE YOUTH FARM BIBLE CAMP

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

11. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant financial 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 subject the Organization to credit risk consist of accounts receivable. The Organization has no customers to which significant credit has been advanced and has assessed their credit risk to be low. There has been no change to the concentration of credit risk from the prior year.

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 has loans with fixed and variable rates of interest as described in note 8 and has a line of credit with variable rate of interest as described in note 3.

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12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

MENNONITE YOUTH FARM BIBLE CAMP

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

SCHEDULE 1

	2022	2021
Income from operations		
Corn maze	\$ 551,923	\$ 413,274
Donations	252,592	191,289
Canoe trips	116,351	-
Camper fees	115,967	121,012
Quonset rental	82,906	39,901
In-kind donations	70,046	59,263
Horse riding lessons	31,215	81,060
Equine retail sales	28,005	18,581
Staff room and board	16,620	18,071
Government grants	8,024	10,000
Corporate sponsorships	7,800	12,000
Hay	7,496	515
Mennonite Church Saskatchewan subsidy	7,200	-
T-shirts and sweaters	4,841	4,211
Petting zoo	3,770	4,580
Tabernacle	3,302	2,215
Horse boarding and leasing	2,800	8,880
Fundraising	2,660	380
Foodbuy rebate	956	855
Meat sales	942	1,605
Other	348	8,820
Photocopying	7	114
Snow maze	-	29,537
Staff grants and support	-	4,465
Food market fundraiser	-	3,008
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	\$ 1,315,843	\$ 1,033,636

See accompanying notes to the financial statements.