CAMP ELIM

Financial Statements

Year Ended December 31, 2019

CAMP ELIM

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Year Ended December 31, 2019

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, 2019, 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, 2019, 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, 2019, current assets as at December 31, 2019, and net assets as at January 1 and December 31, 2019.

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.

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 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 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.

SASKATOON, CANADA **CHARTERED PROFESSIONAL ACCOUNTANTS**
March 12, 2020

CAMP ELIM

Statement of Financial Position

as at December 31, 2019

		Operating Fund		Capital Fund		Total 2019		Total 2018
ASSETS								
Current								
Cash and cash equivalents	$	6,493	$	-	$	6,493	$	21,812
Accounts receivable (note 3)		21,032		-		21,032		38,174
Prepaid expenses		8,593		-		8,593		8,338
		36,118		-		36,118		68,324
Equity in Co-operative		100		-		100		100
Tangible capital assets (note 4)		-		596,671		596,671		593,677
	$	36,218	$	596,671	$	632,889	$	662,101
LIABILITIES AND NET ASSETS								
Current liabilities								
Accounts payable (note 5)	$	23,806	$	-	$	23,806	$	10,869
Revolving loan (note 6)		-		90,000		90,000		90,251
		23,806		90,000		113,806		101,120
Net assets								
Operating fund		12,412		-		12,412		57,555
Capital fund		-		506,671		506,671		503,426
		12,412		506,671		519,083		560,981
	$	36,218	$	596,671	$	632,889	$	662,101

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, 2019

	Operating Fund	Capital Fund	2019 Total	2018 Total
Net assets, beginning of year	$ 57,555	$ 503,426	$ 560,981	$ 561,663
Excess (deficiency) of revenue over expenses	(596)	(41,302)	(41,898)	(682)
Revolving loan proceeds	35,000	(35,000)	-	-
Revolving loan payment	(39,465)	39,465	-	-
Purchase of tangible capital assets	(40,082)	40,082	-	-
Net assets, end of the year	$ 12,412	$ 506,671	$ 519,083	$ 560,981

See accompanying notes to the financial statements

CAMP ELIM

Statement of Operations

For the year ended December 31, 2019

	Operating Fund	Capital Fund	2019 Total	2018 Total
Revenue				
Leases	$ 104,160	$ -	$ 104,160	$ 97,716
Property tax reimbursements	62,087	-	62,087	64,513
Camp fees	24,158	-	24,158	25,457
Donations	22,071	-	22,071	22,780
Rentals	17,055	-	17,055	18,695
Student employment grant	8,726	-	8,726	-
Fundraising	1,872	-	1,872	4,266
Interest	19	-	19	45
Miscellaneous	5	-	5	978
Transfer and development fees	-	-	-	6,046
Mennonite Church Saskatchewan grant	-	-	-	2,429
	240,153	-	240,153	242,925
Expenses				
Wages and benefits	72,713	-	72,713	63,757
Property tax	69,440	-	69,440	69,501
Amortization	-	37,087	37,087	36,056
Maintenance	29,440	-	29,440	15,126
Utilities	24,610	-	24,610	20,724
Programs	17,976	-	17,976	12,781
Insurance	10,540	-	10,540	10,879
Professional fees	10,050	-	10,050	5,310
Interest	3,444	4,215	7,659	5,199
Administration	912	-	912	603
Miscellaneous	648	-	648	444
Mileage	577	-	577	580
Advertising	399	-	399	312
Bad debts	-	-	-	1,885
Fundraising	-	-	-	450
	240,749	41,302	282,051	243,607
Excess (deficiency) of revenue over expenses	$ (596)	$ (41,302)	$ (41,898)	$ (682)

See accompanying notes to the financial statements

CAMP ELIM

Statement of Cash Flows

For the year ended December 31, 2019

		2019		2018
Cash flows from operating activities				
Excess (deficiency) of revenue over expenses	$	(41,898)	$	(682)
Items not affecting cash:				
Amortization		37,087		36,056
Changes in non-cash working capital:				
Accounts receivable		17,141		5,896
Term deposits		-		2,025
Prepaid expenses		(255)		644
Accounts payable		12,938		10,869
		25,013		54,808
Cash flows from investing activities				
Purchase of capital assets		(40,082)		(10,516)
Net cash used in investing activities		(40,082)		(10,516)
Cash flows from financing activities				
Repayment of revolving loan		(250)		(34,889)
Net cash used in financing activities		(250)		(34,889)
Net increase (decrease) in cash and cash equivalents		(15,319)		9,403
Cash and cash equivalents at the beginning of the year		21,812		12,409
Cash and cash equivalents at the end of the year		6,493		21,812

See accompanying notes to the financial statements

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.

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:

	Rate	Method
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.

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 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 area 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.

3. ACCOUNTS RECEIVABLE

	2019	2018
Trade receivables	$ 5,476	$ 25,786
GST receivable	15,556	12,143
NSF receivable	-	245
	$ 21,032	$ 38,174

Accounts receivable are recorded net of doubtful accounts, if any. In 2019 the allowance for doubtful accounts was $ NIL (2018 - $ NIL).

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	$ 11,122	$ -	$ 11,122	$ 11,122
Buildings and equipment	631,414	299,682	331,732	325,882
MDS Building	235,555	28,272	207,283	216,706
Vehicles	53,400	26,870	26,530	24,990
Equipment	26,738	14,689	12,049	12,669
Furniture and appliances	31,477	23,522	7,955	2,308
	$ 989,706	$ 393,035	$ 596,671	$ 593,677

5. ACCOUNTS PAYABLE

	2019	2018
Accounts payable	$ 20,195	$ 3,340
Payroll remittances payable	3,611	6,579
Pension payable	-	950
	$ 23,806	$ 10,869

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 #139039746. Interest is paid monthly on the outstanding balance, currently at a floating interest rate of 4.40%. The outstanding balance is $ 90,000, plus accrued interest of $ Nil at December 31, 2019 (2018 - $ 90,251). The Organization is not required to make regular monthly payments provided the balance remains under the authorized limit.

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 $ 5,476 (2018 - $ 26,031). 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.