MENNONITE YOUTH FARM BIBLE CAMP
Financial Statements
Year Ended December 31, 2019

MENNONITE YOUTH FARM BIBLE CAMP

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Year Ended December 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Directors of
MENNONITE YOUTH FARM BIBLE CAMP

Qualified Opinion
We have audited the accompanying financial statements of MENNONITE YOUTH FARM BIBLE CAMP (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 and 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 10, 2020

MENNONITE YOUTH FARM BIBLE CAMP
Statement of Financial Position
As at December 31, 2019

	Operating Fund	Capital Fund	Total 2019	Total 2018
ASSETS				
Current				
Accounts receivable (note 4)	$ 4,640	$ -	$ 4,640	$ 1,536
Short term investments (note 5)	691	-	691	691
Horses	11,524	-	11,524	11,524
Prepaid expenses	22,234	-	22,234	9,313
GST receivable	5,327	-	5,327	10,140
	44,416	-	44,416	33,204
Tangible capital assets (note 6)	-	774,328	774,328	796,969
	$ 44,416	$ 774,328	$ 818,744	$ 830,173
LIABILITIES AND NET ASSETS				
Current liabilities				
Bank indebtedness (note 3)	$ 19,835	$ -	$ 19,835	$ 8,573
Accounts payable (note 7)	33,873	-	33,873	36,299
PST payable	3,552	-	3,552	26
Wages payable	-	-	-	1,108
Current portion of term debt (note 8)	-	44,049	44,049	41,846
	57,260	44,049	101,309	87,852
Callable long term debt (note 8)	-	343,545	343,545	417,780
	57,260	387,594	444,854	505,632
Net assets				
Capital fund	-	386,734	386,734	337,344
Operating fund	(12,844)	-	(12,844)	(12,803)
	(12,844)	386,734	373,890	324,541
	$ 44,416	$ 774,328	$ 818,744	$ 830,173

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, 2019

	Operating Fund	Capital Fund	2019 Total	2018 Total
Net assets, beginning of the year	$ (12,803)	$ 337,344	$ 324,541	$ 337,583
Excess (deficiency) of revenue over expenses	114,397	(65,048)	49,349	(13,042)
Purchase of tangible capital assets	(42,407)	42,407	-	-
Repayment of long term debt	(72,031)	72,031	-	-
Net assets, end of the year	$ (12,844)	$ 386,734	$ 373,890	$ 324,541

See accompanying notes to the financial statements

MENNONITE YOUTH FARM BIBLE CAMP

Statement of Operations

For the year ended December 31, 2019

	Operating Fund	Capital Fund	2019 Total	2018 Total
Revenue				
Income from operations (Schedule 1)	$ 698,370	$ -	$ 698,370	$ 678,400
Special project - Mexico trip	84,938	-	84,938	28,931
Rent - director's house	1,700	-	1,700	-
	785,008	-	785,008	707,331
Expenses				
Wages and benefits	329,314	-	329,314	361,581
Programs	92,840	-	92,840	92,462
Amortization	-	65,048	65,048	51,273
General	46,193	-	46,193	30,722
Insurance	34,105	-	34,105	32,482
Office	28,590	-	28,590	31,731
Chapel expenses	25,725	-	25,725	11,736
Truck and trailer	25,410	-	25,410	18,743
Mexico trip	17,302	-	17,302	19,995
Horse program	14,002	-	14,002	22,914
Supplies and equipment	12,056	-	12,056	8,846
Telephone	10,553	-	10,553	10,981
Quonset	10,200	-	10,200	10,546
Professional fees	9,662	-	9,662	1,650
Duplex house	5,771	-	5,771	4,714
Property taxes	4,458	-	4,458	4,550
Director's house	3,368	-	3,368	3,238
Petting zoo	1,062	-	1,062	2,209
	670,611	65,048	735,659	720,373
Excess (deficiency) of revenue over expenses	$ 114,397	$ (65,048)	$ 49,349	$ (13,042)

See accompanying notes to the financial statements

MENNONITE YOUTH FARM BIBLE CAMP

Statement of Cash Flows

For the year ended December 31, 2019

	2019	2018
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	$ 49,349	$ (13,042)
Items not affecting cash:		
Amortization	65,048	51,273
Changes in non-cash working capital:		
Accounts receivable	(3,104)	(1,308)
Short term investments	-	9,500
Horses	-	(1,500)
Prepaid expenses	(12,921)	233
Accounts payable and accrued liabilities	(2,426)	(9,194)
GST receivable/payable	4,813	(14,722)
PST payable	3,526	26
Wages payable	(1,108)	1,108
Net cash provided by operating activities	103,177	22,374
Cash flows from investing activities		
Purchase of tangible capital assets	(42,407)	(338,405)
Net cash used in investing activities	(42,407)	(338,405)
Cash flows from financing activities		
Proceeds from long term debt	-	343,857
Repayment of long term debt	(72,032)	(33,299)
Net cash provided by (used in) financing activities	(72,032)	310,558
Net decrease in cash and cash equivalents (indebtedness)	(11,262)	(5,473)
Cash and cash equivalents (indebtedness) at the beginning of the year	(8,573)	(3,100)
Cash and cash equivalents (indebtedness) at the end of the year	$ (19,835)	$ (8,573)

See accompanying notes to the financial statements

MENNONITE YOUTH FARM BIBLE CAMP

Notes to the Financial Statements
For the year ended December 31, 2019

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 reflected in separate unconsolidated audited 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 major 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 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.

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:

	Rate	Method
Buildings	4%	straight line
Climbing wall	10%	straight line
Equipment	20%	straight line
Automobiles and tractors	15%	straight line
Computers and fax machines	30 to 100%	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. Buildings under construction are not amortized.

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

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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Revenue recognition

Unrestricted and restricted 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. Unrestricted contributions are recognized as part of the operating fund. Restricted contributions are recognized as revenue to the appropriate restricted fund. If no appropriate restricted fund has been setup the contribution is deferred and recognized as revenue in the year in which the related expenses are incurred.

Camper fees and rental income are recognized as revenue once the services have been provided and collection is reasonably assured. Fundraising revenues and sales of services/merchandise 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 short term investments, and accounts receivable. Financial liabilities measured at amortized cost on a straight-line basis include bank indebtedness, accounts payable and accrued liabilities, wages payable, and long term debt. 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 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.

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.

MENNONITE YOUTH FARM BIBLE CAMP

Notes to the Financial Statements
For the year ended December 31, 2019

3. CASH AND CASH EQUIVALENTS / BANK INDEBTEDNESS

	2019	2018
Cash in Affinity Credit Union bank account	$ (1,390)	$ 9,072
Undeposited funds	5,350	1,033
Bank shares	5	5
Cheques issued and outstanding	(23,800)	(18,683)
	$ (19,835)	$ (8,573)

The Affinity Credit Union bank account has an authorized line of credit limit of $30,000 with interest charged monthly at a rate variable rate, currently 6.95%. 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 allowance for doubtful accounts recorded in the current year or prior year.

5. SHORT TERM INVESTMENTS

	2019	2018
Empire Life segregated fund investments	$ 691	$ 691

6. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Land	$ 20,000	$ -	$ 20,000	$ 20,000
Chapel	382,757	115,838	266,919	282,230
Riding arena	308,258	17,675	290,583	281,511
Director's house	140,672	81,946	58,726	64,353
Vehicles and trailers	99,795	70,787	29,008	45,928
Cabins	81,286	42,319	38,967	42,219
Quonset	70,000	57,000	13,000	15,000
Duplex house	70,000	70,000	-	-
Tractor	62,409	44,521	17,888	26,500
Quonset contents	24,500	24,500	-	-
John Deere tractor	23,366	23,366	-	-
Water Line	21,406	428	20,978	-
Jumping pillow	21,231	2,972	18,259	19,108
Program inventory	19,426	19,426	-	-
Computers and fax machines	17,155	17,155	-	120
Climbing wall	15,882	15,882	-	-
Horse program inventory	8,500	8,500	-	-
Saddles and tack	4,350	4,350	-	-
Canoes and life jackets	4,000	4,000	-	-
	$ 1,394,993	$ 620,665	$ 774,328	$ 796,969

7. ACCOUNTS PAYABLE

	2019	2018
Accounts payable	$ 31,029	$ 33,909
Payroll liabilities	2,844	2,390
	$ 33,873	$ 36,299

8. LONG TERM DEBT

	2019	2018
Credit Union mortgage. Payable in monthly instalments of $ 2,032 including interest at 4.95%. Secured by land and buildings with a net book of $ 688,195. The mortgage matures February 2022.	$ 50,602	$ 71,906
Credit Union mortgage. Payable in monthly instalments of $ 1,536 including interest at 4.59%. Secured by land and buildings with a net book of $ 688,195. The mortgage matures December 2023.	266,404	272,633
Credit Union loan. Payable in monthly instalments of $ 608 including interest at 5.45%. Secured by vehicle with a net book value of $ 22,154. This loan matures in February 2023.	21,257	27,218
De Lage Landen Financial Services loan. Payable in monthly instalments of $ 706 including interest at 5.75% Secured by tractor with a net book value of $ 15,834. This loan matures in March 2023.	25,058	31,873
De Lage Landen Financial Services loan. Payable in monthly instalments of $ 170 including interest at 5.99% Secured by snow blower with a net book value of $ 3,647. This loan matures in March 2022.	4,273	5,996
Isaac Epp private loan. Interest only payments due annually at 1.7%. Secured by promissory note. This loan matures in December 2022.	20,000	20,000
Ron & Carolyn Friesen private loan, secured by promissory note bearing no interest.	-	30,000
Total debt	387,594	459,626
Current portion	44,049	41,846
Callable long term portion	$ 343,545	$ 417,780

8. LONG TERM DEBT *(CONTINUED)*

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

2020	44,049
2021	46,370
2022	27,256
2023	10,662
2024	7,600
	$ 135,937

9. 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 interest or financial risk arising from these financial instruments except as otherwise disclosed.

Liquidity risk
Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization enters into transactions to purchase goods and services on credit, borrows funds from creditors, etc. for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Organizations future net cash flows for the possibility of a negative cash flow. The Organization manages the liquidity risk resulting from its accounts payable by investing in liquid assets.

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 changed 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. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through investing in short term instruments. The Organization's loans are at fixed rates of interest.

10. COMMITMENTS

In 2016 the Organization entered into an operating lease for a 2016 Ford F150. The organization has made a commitment for monthly payments of $ 638 through December 2020, at which time the Organization has the option to purchase the truck for the purchase price of $ 18,963.

MENNONITE YOUTH FARM BIBLE CAMP
Statement of Income from Operations
For the year ended December 31, 2019

SCHEDULE 1

	2019	2018
Income from operations		
Corn maze	$ 249,978	$ 166,173
Camper fees	149,473	141,926
Donations	60,185	66,802
Quonset rental	45,531	57,106
Horse riding lessons	30,908	31,023
Staff grants and support	26,717	24,076
Equine retail sales	20,595	4,663
Fall supper	16,808	15,374
Campership	16,665	12,634
Staff room and board	14,404	15,924
Corporate sponsorships	12,400	8,950
Horse boarding & leasing	9,325	3,110
March fundraiser	8,236	8,868
T-shirts and sweaters	7,895	8,226
Mennonite Church Saskatchewan subsidy	6,797	7,475
Brian Doerksen Concert	6,317	-
Canteen sales	5,770	4,933
Fundraising	3,370	1,620
Equestrian centre	1,874	52,599
Meat sales	1,652	1,054
Petting zoo	915	985
Skijoring event	877	805
Foodbuy rebate	854	798
Photocopying	390	210
Other	245	1,816
Computer service	140	-
Hay sales	49	194
Donations - capital	-	28,585
Van fundraiser	-	10,350
Fundraising - capital	-	1,400
Gymkhana	-	721
	$ 698,370	$ 678,400

See accompanying notes to the financial statements.