

SILVER LAKE MENNONITE CAMP >

financial statements

>YEAR ENDED DECEMBER 31, 2021

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

SILVER LAKE MENNONITE CAMP>

financial statements

>YEAR ENDED DECEMBER 31, 2021

index

Independent practitioner's review engagement report.....I
Statement of financial position.....2
Statement of changes in net assets.....3
Statement of operations4
Statement of cash flows.....5
Notes to financial statements.....6 - 9



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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Silver Lake Mennonite Camp:

We have reviewed the accompanying financial statements of Silver Lake Mennonite Camp that comprise the statement of financial position as at December 31, 2021, 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on 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 Camp, 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.

Conclusion

Based on our review, 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 Silver Lake Mennonite Camp as at December 31, 2021, 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.

MAC LLP.

Waterloo, Ontario
February 22, 2023

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

SILVER LAKE MENNONITE CAMP>
**statement of
financial position**

>DECEMBER 31, 2021

	2021	2020
<i>assets</i>		
current		
Cash	\$ 511,169	\$ 203,266
Accounts receivable	21,997	25,818
Government remittances recoverable	9,083	18,369
Prepaid expenses	<u>3,043</u>	<u>5,630</u>
	545,292	253,083
non-current		
Capital assets (Note 3)	<u>1,893,326</u>	<u>1,945,243</u>
	<u>\$ 2,438,618</u>	<u>\$ 2,198,326</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 25,806	\$ 28,386
Government remittances payable	2,391	2,515
Deferred income (Note 5)	<u>265,466</u>	<u>139,189</u>
	293,663	170,090
non-current		
Long term debt (Note 6)	40,000	30,000
Deferred capital contributions (Note 7)	<u>887,880</u>	<u>896,241</u>
	1,221,543	1,096,331
<i>net assets</i>		
Unrestricted net assets	<u>1,217,075</u>	<u>1,101,995</u>
	<u>\$ 2,438,618</u>	<u>\$ 2,198,326</u>

Approved on behalf of the board:

Director

Director

SILVER LAKE MENNONITE CAMP>

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
balance, beginning of year	\$ 1,101,995	\$ 1,089,434
Excess of revenue over expense for year	<u>115,080</u>	<u>12,561</u>
balance, end of year	<u>\$ 1,217,075</u>	<u>\$ 1,101,995</u>

SILVER LAKE MENNONITE CAMP>

statement of operations

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
revenue		
Camp fees and revenue	\$ 353,903	\$ 6,322
Donations	163,894	124,974
Rental income	33,505	14,165
Deferred capital contribution	54,965	54,817
Other income	<u>9,237</u>	<u>1,141</u>
	<u>615,504</u>	<u>201,419</u>
expenses		
Advertising and promotion	20,362	4,253
Amortization	98,523	101,191
Office	55,118	46,291
Property and maintenance	127,962	99,521
Rent	4,915	5,505
Telephone	8,820	9,703
Summer camp	133,494	68,117
Off season groups	8,676	26,013
Wages and benefits	<u>221,348</u>	<u>189,455</u>
	<u>679,218</u>	<u>550,049</u>
deficiency of revenue over expenses	<u>(63,714)</u>	<u>(348,630)</u>
other income		
Insurance proceeds	17,097	218,973
Government subsidies	<u>161,697</u>	<u>142,218</u>
	<u>178,794</u>	<u>361,191</u>
excess of revenue over expenses for year	<u>\$ 115,080</u>	<u>\$ 12,561</u>

SILVER LAKE MENNONITE CAMP>

statement of cash flows

>YEAR ENDED DECEMBER 31, 2021

	2021	2020
operating activities		
Excess of revenue over expenses for year	\$ 115,080	\$ 12,561
Adjustments for:		
Amortization	98,523	101,191
Deferred capital contributions	<u>54,965</u>	<u>54,817</u>
	<u>268,568</u>	<u>168,569</u>
Changes in non-cash working capital:		
Accounts receivable	3,821	(25,083)
Government remittances recoverable	9,286	(5,150)
Prepays	2,587	(1,617)
Accounts payable and accrued liabilities	(2,581)	15,201
Deferred income	126,277	136,989
Government remittances payable	<u>(124)</u>	<u>2,515</u>
	<u>139,266</u>	<u>122,855</u>
	<u>407,834</u>	<u>291,424</u>
financing activities		
Deferred capital contribution	(63,326)	(67,503)
Long term debt	<u>10,000</u>	<u>30,000</u>
	<u>(53,326)</u>	<u>(37,503)</u>
investing activities		
Purchase of capital assets	<u>(46,605)</u>	<u>(42,130)</u>
Net change in cash for the year	307,903	211,791
Cash balance, beginning of year	<u>203,266</u>	<u>(8,525)</u>
cash balance, end of year	\$ <u>511,169</u>	\$ <u>203,266</u>

notes to financial statements

>DECEMBER 31, 2021

1. purpose of organization

The mission of Silver Lake Mennonite Camp, the "Camp", is to provide an enjoyable setting where spiritual and personal growth are fostered and Christian values and teachings are emphasized. The Camp operates in Sauble Beach, Ontario and it is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity for Canadian Income Tax purposes.

2. significant accounting policies

Basis of Accounting - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition - The Camp follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue when the expense is incurred.

Camp fees and rental income are recognized when the related events takes place. Other income is recognized when received.

Deferred capital contributions are recognized when the amortization expense of the restricted capital assets are incurred.

Insurance income is recognized when the payment by the insurance company can be reasonably estimated.

Government subsidies are recognized as revenue in the year in which the related expenses are incurred.

Capital Assets - Capital assets are recorded at cost. Contributed property and equipment are recorded at the fair market value at the date of contribution. Amortization is provided in the accounts using the following methods and annual rates:

Asset	Method	Rate
Buildings	Reducing balance	4 %
Computers	Reducing balance	55 %
Equipment	Reducing balance	30 %
Vehicles	Reducing balance	30 %

Capital assets acquired during the year are amortized at one half the above annual rates.

Deferred Capital Contributions - Contributions received for capital assets are deferred in the accounts and amortized over the same term and on the same basis as the related capital asset. The deferred capital contributions balance on the Statement of Financial Position represents the contributions received for capital assets less the amount amortized on the Statement of Operations.

notes to financial statements

>DECEMBER 31, 2021

Disclosure and Use of Estimates - The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Estimates are used when accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of capital assets, and asset impairments.

Financial Instruments

Initial measurement - The Camp initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Camp in the transaction.

Subsequent measurement - The Camp subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Financial assets and financial liabilities originated in related party transactions are subsequently measured at cost. Any reduction for impairment is recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

The Camp has not designated any financial asset or liability to be measured at fair value.

Measurement - The Camp initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Camp subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Impairment - Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is not 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 net income.

Transaction costs - The Church recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

notes to financial statements

>DECEMBER 31, 2021

3. capital assets

	cost	accumulated amortization	net 2021	net 2020
Land	\$ 61,100	\$ -	\$ 61,100	\$ 61,100
Building	2,398,181	676,759	1,721,422	1,760,142
Computers	21,655	20,220	1,435	1,826
Equipment	316,822	210,795	106,027	117,406
Vehicles	<u>34,026</u>	<u>30,684</u>	<u>3,342</u>	<u>4,769</u>
	<u>\$ 2,831,784</u>	<u>\$ 938,458</u>	<u>\$ 1,893,326</u>	<u>\$ 1,945,243</u>

4. bank indebtedness

The Camp has a \$350,000 operating line of credit bearing interest at 3.95%. As at year end, the balance on the lines of credit was \$Nil (2020 - \$Nil).

5. deferred income

	beginning	amounts received	recognized as revenue	ending
Campership fund	\$ 1,450	\$ -	\$ 1,450	\$ -
Summer camp donations	19,500	5,000	19,500	5,000
Rental deposits	2,700	200	500	2,400
Capital	<u>115,539</u>	<u>291,002</u>	<u>148,475</u>	<u>258,066</u>
	<u>\$ 139,189</u>	<u>\$ 296,202</u>	<u>\$ 169,925</u>	<u>\$ 265,466</u>

notes to financial statements

>DECEMBER 31, 2021

6. long term debt

	2021	2020
Bank term loan, interest free until December 31, 2025, interest at 5% thereafter, \$20,000 eligible for forgiveness if remainder is repaid before December 31, 2025	\$ 60,000	\$ 40,000
Forgivable portion of loan	<u>(20,000)</u>	<u>(10,000)</u>
	<u>\$ 40,000</u>	<u>\$ 30,000</u>

7. deferred capital contributions

Deferred contributions represent unamortized capital spending that was funded using resources externally restricted to finance the cost of capital projects carried on by the Camp.

The following reflects the continuity of the funds received and the amounts deferred to future periods:

	2021	2020
Balance, beginning of year	\$ 896,241	\$ 908,927
Amounts recognized as revenue	<u>(8,361)</u>	<u>(12,686)</u>
Balance, end of year	<u>\$ 887,880</u>	<u>\$ 896,241</u>

8. financial instruments

Risk Management - The significant risks to which the Camp is exposed are interest risk and liquidity rate risk. There has been no change to the risk exposures from the prior year.

Interest Rate Risk - The Camp's interest bearing liabilities include operating line of credit and long-term debt. The Camp's operating line of credit has a variable interest rate. Changes in the bank's prime lending rate can cause fluctuations in interest payments and future cash flows associated with the principal portion of the loan.

Liquidity Risk - Liquidity risk is the risk that the Camp will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Camp's cash requirements. Additional cash requirements are met with the use of the available operating line of credit. The available operating line of credit provides flexibility in the short term to meet operational needs and bridge long term financing.