

SILVER LAKE MENNONITE CAMP >

financial statements

>YEAR ENDED DECEMBER 31, 2023

MAC LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

SILVER LAKE MENNONITE CAMP>

financial statements

>YEAR ENDED DECEMBER 31, 2023

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Chartered Professional Accountants

510 Weber Street North, Waterloo, Ontario N2L 4E9
30 Arthur Street South, Elmira, Ontario N3B 2M7
T 519.725.2600 TF 1.877.725.2611 www.mac-ca.com

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, the "Camp", that comprise the statement of financial position as at December 31, 2023, and the statements of changes in net assets, operations 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 the Camp as at December 31, 2023, 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.

Waterloo, Ontario
July 7, 2024

MAC LLP.

LICENSED PUBLIC ACCOUNTANTS
CHARTERED PROFESSIONAL ACCOUNTANTS

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

>DECEMBER 31, 2023

	2023	2022
<i>assets</i>		
current		
Cash	\$ 226,385	\$ 329,732
Other investments	104,150	100,000
Accounts receivable	21,730	4,231
Prepaid expenses	<u>4,322</u>	<u>3,577</u>
	356,587	437,540
non-current		
Capital assets (Note 3)	<u>1,981,619</u>	<u>1,925,454</u>
	<u>\$ 2,338,206</u>	<u>\$ 2,362,994</u>
<i>liabilities</i>		
current		
Accounts payable and accrued liabilities	\$ 36,105	\$ 31,240
Government remittances payable	15,436	2,748
Deferred revenue (Note 5)	<u>136,878</u>	<u>162,527</u>
	188,419	196,515
non-current		
Long term debt (Note 6)	-	40,000
Deferred capital contributions (Note 7)	<u>1,056,676</u>	<u>961,667</u>
	1,245,095	1,198,182
<i>net assets</i>		
Unrestricted net assets	<u>1,093,111</u>	<u>1,164,812</u>
	<u>\$ 2,338,206</u>	<u>\$ 2,362,994</u>

Approved on behalf of the board:

Director

Director

SILVER LAKE MENNONITE CAMP>

statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2023

	2023	2022
balance, beginning of year	\$ 1,164,812	\$ 1,217,075
Deficiency of revenue over expense for year	<u>(71,701)</u>	<u>(52,263)</u>
balance, end of year	<u>\$ 1,093,111</u>	<u>\$ 1,164,812</u>

SILVER LAKE MENNONITE CAMP>

statement of operations

>YEAR ENDED DECEMBER 31, 2023

	2023	2022
revenue		
Camp fees and revenue	\$ 719,830	\$ 616,964
Donations	140,078	148,029
Rental income	66,110	37,121
Deferred capital contribution	64,274	57,593
Other income	15,235	6,757
Grant	<u>69,081</u>	<u>-</u>
	<u>1,074,608</u>	<u>866,464</u>
expenses		
Advertising and promotion	18,058	40,514
Amortization	103,118	98,661
Office	101,796	65,962
Property and maintenance	181,886	164,402
Rent	14,102	4,901
Telephone	13,157	11,492
Summer camp	411,973	304,726
Off season groups	127,645	24,785
Wages and benefits	<u>174,574</u>	<u>207,735</u>
	<u>1,146,309</u>	<u>923,178</u>
deficiency of revenue over expenses	<u>(71,701)</u>	<u>(56,714)</u>
other income		
Insurance proceeds	-	4,291
Gain on disposal of assets	<u>-</u>	<u>160</u>
	<u>-</u>	<u>4,451</u>
deficiency of revenue over expenses for year	<u>\$ (71,701)</u>	<u>\$ (52,263)</u>

SILVER LAKE MENNONITE CAMP>

statement of cash flows

>YEAR ENDED DECEMBER 31, 2023

	2023	2022
operating activities		
Deficiency of revenue over expenses for year	\$ (71,701)	\$ (52,263)
Adjustments for:		
Amortization	103,118	98,661
Gain on sale of capital assets	-	(160)
Deferred capital contributions	<u>64,274</u>	<u>57,593</u>
	<u>95,691</u>	<u>103,831</u>
Changes in non-cash working capital:		
Accounts receivable	(17,499)	17,766
Government remittances recoverable	10,595	9,149
Prepays	(745)	(534)
Accounts payable and accrued liabilities	4,865	5,435
Deferred income	(25,649)	(102,939)
Government remittances payable	<u>2,093</u>	<u>291</u>
	<u>(26,340)</u>	<u>(70,832)</u>
	<u>69,351</u>	<u>32,999</u>
financing activities		
Deferred capital contribution	30,735	16,194
Repayment of long term debt	<u>(40,000)</u>	<u>-</u>
	<u>(9,265)</u>	<u>16,194</u>
investing activities		
Purchase of capital assets	(159,283)	(131,380)
Proceeds on disposal of capital assets	-	750
Purchase of other investments	<u>(4,150)</u>	<u>(100,000)</u>
	<u>(163,433)</u>	<u>(230,630)</u>
Net change in cash for the year	(103,347)	(181,437)
Cash balance, beginning of year	<u>329,732</u>	<u>511,169</u>
cash balance, end of year	<u>\$ 226,385</u>	<u>\$ 329,732</u>

notes to financial statements

>DECEMBER 31, 2023

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 includes interest income and other miscellaneous income. Interest is recognized when it is earned. Miscellaneous income is recognized as earned.

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

Grants are recognized as revenue in the year in which the related expenses is 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.

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.

notes to financial statements

>DECEMBER 31, 2023

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 Camp 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, 2023

3. capital assets

	cost	accumulated amortization	net 2023	net 2022
Land	\$ 61,100	\$ -	\$ 61,100	\$ 61,100
Building	2,601,031	818,997	1,782,034	1,733,103
Computers	21,655	20,220	1,435	1,826
Equipment	402,634	267,228	135,406	127,082
Vehicles	<u>34,026</u>	<u>32,382</u>	<u>1,644</u>	<u>2,343</u>
	<u>\$ 3,120,446</u>	<u>\$ 1,138,827</u>	<u>\$ 1,981,619</u>	<u>\$ 1,925,454</u>

4. bank indebtedness

The Camp has a \$350,000 operating line of credit bearing interest at 8.70%. As at year end, the balance on the lines of credit was \$Nil (2022 - \$Nil).

5. deferred income

	beginning	amounts received	recognized as revenue	ending
Campership fees	\$ -	\$ 19,391	\$ -	\$ 19,391
Rental deposits	4,100	6,758	2,500	8,358
Capital	158,427	74,637	159,282	73,782
Retreat income	-	8,938	-	8,938
Grant	<u>-</u>	<u>26,409</u>	<u>-</u>	<u>26,409</u>
	<u>\$ 162,527</u>	<u>\$ 136,133</u>	<u>\$ 161,782</u>	<u>\$ 136,878</u>

6. long term debt

	2023	2022
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
Forgivable portion of loan	<u>-</u>	<u>(20,000)</u>
	<u>\$ -</u>	<u>\$ 40,000</u>

notes to financial statements

>DECEMBER 31, 2023

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:

	2023	2022
Balance, beginning of year	\$ 961,667	\$ 887,880
Donations received	159,283	131,380
Amounts recognized as revenue	<u>(64,274)</u>	<u>(57,593)</u>
Balance, end of year	<u>\$ 1,056,676</u>	<u>\$ 961,667</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.