

SILVER LAKE MENNONITE CAMP >

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# financial statements

>YEAR ENDED DECEMBER 31, 2025

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SILVER LAKE MENNONITE CAMP>

# financial statements

>YEAR ENDED DECEMBER 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Silver Lake Mennonite Camp:

### Qualified Opinion

We have audited the financial statements of Silver Lake Mennonite Camp, the "Camp", which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Camp as at December 31, 2025, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Camp derives revenue from donations from interested persons, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Camp. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation revenues, excess of revenues over expenses, and cash flows for the years ended December 31, 2025 and December 31, 2024 and current assets and net assets as at December 31, 2025 and December 31, 2024. Our conclusion on the financial statements as at and for the year ended December 31, 2025 was modified accordingly because of the possible effects of this limitation in scope.

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 Camp in accordance with the ethical requirements that are relevant to our audit of 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.

### Other Matter

The financial statements of the Camp for the year ended December 31, 2024 have not been audited.

### Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Camp'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 Camp or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Camp'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 Camp'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 Camp'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 Camp 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.

Waterloo, Ontario  
Date of Approval

LICENSED PUBLIC ACCOUNTANTS  
CHARTERED PROFESSIONAL ACCOUNTANTS

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

>DECEMBER 31, 2025

	2025	unaudited 2024
<b><i>assets</i></b>		
<b>current</b>		
Cash	\$ 291,586	\$ 236,114
Guaranteed investment certificates	113,292	110,591
Accounts receivable	2,634	1,537
Prepaid expenses	<u>57,762</u>	<u>27,057</u>
	465,274	375,299
<b>non-current</b>		
Capital assets (Note 3)	<u>2,193,552</u>	<u>2,257,614</u>
	<u>\$ 2,658,826</u>	<u>\$ 2,632,913</u>
<b><i>liabilities</i></b>		
<b>current</b>		
Accounts payable and accrued liabilities	\$ 43,384	\$ 19,977
Government remittances payable	27,546	15,524
Deferred revenue (Note 5)	<u>95,695</u>	<u>57,859</u>
	166,625	93,360
<b>non-current</b>		
Deferred capital contributions (Note 6)	<u>1,035,297</u>	<u>1,072,939</u>
	1,201,922	1,166,299
<b><i>net assets</i></b>		
Unrestricted net assets	<u>1,456,904</u>	<u>1,466,614</u>
	<u>\$ 2,658,826</u>	<u>\$ 2,632,913</u>

Approved on behalf of the board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

SILVER LAKE MENNONITE CAMP>

# statement of changes in net assets

>YEAR ENDED DECEMBER 31, 2025

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	2025	unaudited 2024
<b>balance, beginning of year</b>	\$ 1,151,287	\$ 1,093,113
Correction of accounting error (Note 7)	<u>315,327</u>	<u>271,412</u>
Balance, restated	1,466,614	1,364,525
Deficiency of revenue over expense for year	<u>(9,710)</u>	<u>102,089</u>
<b>balance, end of year</b>	\$ <u>1,456,904</u>	\$ <u>1,466,614</u>

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## SILVER LAKE MENNONITE CAMP&gt;

## statement of operations

&gt;YEAR ENDED DECEMBER 31, 2025

	2025	unaudited 2024
<b>revenue</b>		
Camp fees and revenue	\$ 873,806	\$ 891,045
Donations	233,105	126,960
Rental income	86,661	79,424
Deferred capital contribution	25,810	72,158
Other income	6,889	19,730
Grants	<u>67,994</u>	<u>80,723</u>
	<u>1,294,265</u>	<u>1,270,040</u>
<b>expenses</b>		
Advertising and promotion	43,126	19,306
Amortization	97,175	85,625
Off season groups	131,070	143,655
Office	99,683	114,432
Property and maintenance	200,657	157,282
Rent	6,848	6,308
Summer camp	538,638	486,973
Telephone	9,220	13,760
Wages and benefits	<u>177,558</u>	<u>140,610</u>
	<u>1,303,975</u>	<u>1,167,951</u>
<b>deficiency of revenue over expenses for year</b>	<u>\$ (9,710)</u>	<u>\$ 102,089</u>

## SILVER LAKE MENNONITE CAMP&gt;

## statement of cash flows

&gt;YEAR ENDED DECEMBER 31, 2025

	2025	unaudited 2024
<b>operating activities</b>		
Excess of revenue over expenses for the year	\$ (9,710)	\$ 102,089
Adjustments for:		
Amortization	97,175	85,625
Deferred capital contributions	<u>(37,642)</u>	<u>16,263</u>
	<u>49,823</u>	<u>203,977</u>
Changes in non-cash working capital:		
Accounts receivable	(1,097)	20,193
Government remittances recoverable	10,812	(361)
Prepays	(30,705)	(22,735)
Accounts payable and accrued liabilities	23,407	(16,126)
Deferred revenue	37,836	(79,019)
Government remittances payable	<u>1,210</u>	<u>449</u>
	<u>41,463</u>	<u>(97,599)</u>
	<u>91,286</u>	<u>106,378</u>
<b>investing activities</b>		
Purchase of capital assets	(33,113)	(90,208)
Purchase of other investments	<u>(2,701)</u>	<u>(6,441)</u>
	<u>(35,814)</u>	<u>(96,649)</u>
Net change in cash for the year	55,472	9,729
Cash balance, beginning of year	<u>236,114</u>	<u>226,385</u>
<b>cash balance, end of year</b>	<u>\$ 291,586</u>	<u>\$ 236,114</u>

# notes to financial statements

&gt;DECEMBER 31, 2025

## 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.

**Allocation of Expenses** - Wages and salaries are allocated to summer camps, off-season groups, and salaries expense based on management's estimate of the proportion of time employees spend performing activities associated with each function.

# notes to financial statements

>DECEMBER 31, 2025

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**Cloud Computing Arrangements** - At the inception of a cloud computing arrangement, the Camp allocates the consideration to significant separable elements based on their specific sales price. Development costs and costs related to the right to use a tangible asset are recognized according to the applicable accounting policies for such elements.

To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Camp has opted for the simplification approach. Accordingly, such expenditures are treated as the supply of services and recognized as an expense when the services are received. These are presented under the "Office" line on the statement of operations.

The Camp recognizes prepayments as an asset when payments are made in advance for services not yet received. These prepayments are subsequently expensed as the services are consumed.

Costs related to implementation activities, including configuration and customization, are expensed as incurred unless they meet the criteria for capitalization under other applicable accounting standards

**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.

# notes to financial statements

&gt;DECEMBER 31, 2025

*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.

### 3. capital assets

	<b>cost</b>	<b>accumulated amortization</b>	<b>net 2025</b>	<b>net 2024</b>
Land	\$ 760,000	\$ -	\$ 760,000	\$ 760,000
Building	1,603,460	346,800	1,256,660	1,315,017
Equipment	257,052	122,271	134,781	158,279
Vehicles	59,124	17,013	42,111	24,318
	<u>\$ 2,679,636</u>	<u>\$ 486,084</u>	<u>\$ 2,193,552</u>	<u>\$ 2,257,614</u>

### 4. bank indebtedness

The Camp has a \$350,000 operating line of credit bearing interest at 5.95%. As at year end, the balance on the lines of credit was \$Nil (2024 - \$Nil).

### 5. deferred revenue

	<b>beginning</b>	<b>amounts received</b>	<b>recognized as revenue</b>	<b>ending</b>
Camp fees	\$ 1,800	\$ 2,850	\$ 1,800	\$ 2,850
Summer camp donations	3,400	2,295	3,400	2,295
Rental deposits	5,065	13,600	4,000	14,665
Capital	35,786	11,832	-	47,618
Retreat income	<u>11,808</u>	<u>28,380</u>	<u>11,921</u>	<u>28,267</u>
	<u>\$ 57,859</u>	<u>\$ 58,957</u>	<u>\$ 21,121</u>	<u>\$ 95,695</u>

# notes to financial statements

&gt;DECEMBER 31, 2025

## 6. 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:

	2025	2024
Balance, beginning of year	\$ 1,072,939	\$ 1,056,676
Donations received	39,878	88,421
Amounts recognized as revenue	<u>(77,520)</u>	<u>(72,158)</u>
Balance, end of year	<u>\$ 1,035,297</u>	<u>\$ 1,072,939</u>

## 7. correction of accounting error

During the year, the Camp determined that its capital assets were not measured at fair market value at the time of adoption of Accounting Standards for Not-for-Profit Organizations. Management obtained an independent appraisal and retroactively restated the capital assets to reflect their appraised values.

As a result of this restatement, capital assets decreased by \$315,327, with a corresponding decrease in net assets of \$315,327. Comparative figures have been restated accordingly.

## 8. allocation of expenses

Total wages and salaries recognized during the year amounted to \$661,668 (2024 – \$574,678). These costs have been allocated to expense categories in the statement of operations based on management's assessment of the time devoted to each function, as follows:

	2025	2024
Summer camp	\$ 372,646	\$ 331,475
Off season groups	124,950	113,655
Wages and benefits	<u>164,072</u>	<u>129,548</u>
	<u>\$ 661,668</u>	<u>\$ 574,678</u>

## 9. 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.

# notes to financial statements

>DECEMBER 31, 2025

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**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.

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