

**St. Michael's Ukrainian
Catholic Church Camp Inc.**

FINANCIAL STATEMENTS

Year Ended December 31, 2019

St. Michael's Ukrainian Catholic Church Camp Inc.

Kamsack, Saskatchewan

December 31, 2019

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Independent Auditors' Report

To the Board of Directors
St. Michael's Ukrainian Catholic Church Camp Inc.

Qualified Opinion

We have audited the financial statements of St. Michael's Ukrainian Catholic Church Camp Inc., (the non-profit), which comprise the Statement of Financial Position as at December 31, 2019 and the Statements of Operations, Changes in Net Assets and Cash Flow 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 non-profit as at December 31, 2019, and results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

As explained in note 2(c), the non-profit organization records capital assets purchased at original cost and claims no amortization in the financial statements. Canadian accounting standards for not-for-profit organizations require that capital assets be recorded at cost on the Statement of Financial Position and amortized over the estimated useful life of the asset. The effect to the financial statements by this departure from Canadian accounting standards for not-for-profit organizations has not been determined.

In common with many non-profit organizations, the organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

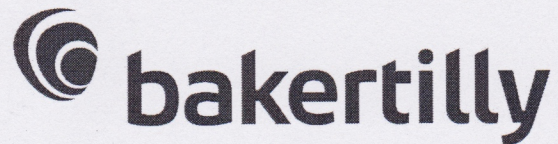
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the non-profit in accordance 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 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 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 non-profit'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 non-profit or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the non-profit's financial reporting process.



Auditors' 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 auditors' 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 non-profit'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 non-profit'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 non-profit 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.

Baker Tilly SK LLP

Baker Tilly SK LLP

Saskatoon, SK
April 28, 2020

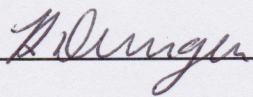
St. Michael's Ukrainian Catholic Church Camp Inc.

Kamsack, Saskatchewan

Statement of Financial Position as at December 31, 2019

	2019	2018 (Note 12)
Assets		
Current Assets		
Cash and cash equivalents	24,648	98,395
Accounts receivable - note 4	1,623	909
Prepaid expenses	2,175	
	<u>28,446</u>	<u>99,304</u>
Capital Assets		
Buildings	2,272,850	2,272,850
Statue	260,088	260,088
Appliances and furnishings	120,440	108,468
Church relocation and site preparation	53,639	53,639
Sports equipment and facilities	31,379	30,890
Multi-purpose building	29,790	29,790
Leasehold improvements	19,157	19,157
Fire pit	13,226	13,226
Bathroom and shower facilities	7,936	7,936
Equipment	7,822	7,822
Cabins	6,463	6,463
Floating dock	5,268	5,268
Kitchen utensils and equipment	2,277	2,277
Furniture	750	750
	<u>2,831,085</u>	<u>2,818,624</u>
	<u>\$ 2,859,531</u>	<u>\$ 2,917,928</u>
Liabilities and Net Assets		
Current Liabilities		
Operating loan - note 5	140,000	140,000
Accounts payable and accrued liabilities - note 6	11,082	5,649
Rental deposits	500	1,450
Current portion of long-term loans payable	783,600	804,000
	<u>935,182</u>	<u>951,099</u>
Net Assets		
Invested in capital assets	2,047,486	2,014,625
Unrestricted net assets	(123,137)	(47,796)
	<u>1,924,349</u>	<u>1,966,829</u>
	<u>\$ 2,859,531</u>	<u>\$ 2,917,928</u>

Approved on behalf of the board:



The notes to financial statements are an integral
part of these financial statements.

St. Michael's Ukrainian Catholic Church Camp Inc.

Statement of Changes in Net Assets
For the year ended December 31, 2019

	Invested in Capital Assets	Unrestricted Net Assets	2019 Total	2018 Total (Note 12)
Balance (deficit), beginning of year	2,014,625	(47,796)	1,966,829	1,966,049
Excess (deficiency) of revenue over expenses for the year - general	(43,849)	5,924	(37,925)	(9,453)
Excess (deficiency) of revenue over expenses for the year - St. Michael's Youth and Teen Camps		(4,555)	(4,555)	10,233
Interfund transfer - purchase of capital assets	12,461	(12,461)		
Interfund transfer - long-term debt payments	<u>64,249</u>	<u>(64,249)</u>	<u> </u>	<u> </u>
Balance (deficit), end of year	<u>\$ 2,047,486</u>	<u>\$(123,137)</u>	<u>\$ 1,924,349</u>	<u>\$ 1,966,829</u>

*The notes to financial statements are an integral
part of these financial statements.*

St. Michael's Ukrainian Catholic Church Camp Inc.

Statement of Operations - General
For the year ended December 31, 2019

	2019	2018 (Note 12)
Revenue		
Donations	36,022	61,356
Insurance proceeds		8,475
Interest		16
Memberships	460	400
Rental fees	26,221	9,925
Net fundraising	13,979	15,462
	<u>76,682</u>	<u>95,634</u>
Expenses		
Advertising and promotion	118	
Entertainment and meals		108
Food and supplies	3,028	2,153
Insurance	10,708	10,042
Interest and bank charges	5,523	2,819
Interest - long-term	42,889	35,286
Licenses and memberships	527	40
Office supplies and copying	382	566
Professional fees - architecture		3,379
Professional fees - audit	7,365	6,951
Professional fees - legal	4,734	1,761
Professional fees - other	160	998
Repairs and maintenance - building	1,935	7,062
Repairs and maintenance - equipment	1,721	8,972
Security	620	
Telephone	804	586
Travel	23	787
Utilities	30,307	21,724
Yard maintenance	3,763	1,853
	<u>114,607</u>	<u>105,087</u>
Excess (Deficiency) of Revenue over Expenses for the Year	<u>\$ (37,925)</u>	<u>\$ (9,453)</u>

*The notes to financial statements are an integral
part of these financial statements.*

St. Michael's Ukrainian Catholic Church Camp Inc.

Statement of Operations - St. Michael's Youth and Teen Camps

For the year ended December 31, 2019

	2019	2018 (Note 12)
Revenue		
Participant fees	14,440	14,656
Donations	7,935	19,677
Grants	3,500	4,000
Photo/CD sales	648	847
Sales - T-shirts	235	315
Other		61
	<u>26,758</u>	<u>39,556</u>
Operating Expenses		
Administration		
Honoraria - director	3,800	3,200
Office supplies, postage and advertising	457	337
	<u>4,257</u>	<u>3,537</u>
Facilities and maintenance		
Honoraria - maintenance	98	2,160
Rent - equipment		364
	<u>98</u>	<u>2,524</u>
Kitchen and canteen service		
Food, kitchen and canteen supplies	4,684	5,849
Honoraria - kitchen staff	1,550	1,350
	<u>6,234</u>	<u>7,199</u>
Medical supplies	<u>0</u>	<u>157</u>
Program		
Honoraria - clergy and religious	1,450	1,650
Honoraria - counsellors	11,820	11,205
Participant activities	1,131	
Participant and supplies transportation	3,476	470
Program supplies, park passes	977	1,124
T-shirt and toque costs	1,870	1,457
	<u>20,724</u>	<u>15,906</u>
Total operating expenses	<u>31,313</u>	<u>29,323</u>
Excess (Deficiency) of Revenue over Expenses for the Year	<u><u>\$ (4,555)</u></u>	<u><u>\$ 10,233</u></u>

The notes to financial statements are an integral
part of these financial statements.

St. Michael's Ukrainian Catholic Church Camp Inc.

Statement of Cash Flow
For the year ended December 31, 2019

	2019	2018 (Note 12)
Cash Provided By (Used In):		
Operations		
Excess (deficiency) of revenue over expenses for the year		
- general	(37,925)	(9,453)
Excess (deficiency) of revenue over expenses for the year		
- St. Michael's Youth and Teen Camps	(4,555)	10,233
Add items not requiring cash resources		
Adjustment of accounts payable related to capital assets		18,565
Net change in working capital	<u>1,594</u>	<u>(17,067)</u>
	<u>(40,886)</u>	<u>2,278</u>
Investing activities		
Capital asset purchases	<u>(12,461)</u>	<u>(16,207)</u>
Financing activities		
Increase in short-term borrowings		80,000
Repayment of long-term loans	(20,400)	(20,000)
Repayment of other loans		(60,000)
	<u>(20,400)</u>	<u>0</u>
Net Cash Increase (Decrease) for the Year	(73,747)	(13,929)
Cash position, beginning of year	<u>98,395</u>	<u>112,324</u>
Cash Position, End of Year	\$ 24,648	\$ 98,395
Represented By:		
Cash and cash equivalents	<u>\$ 24,648</u>	<u>\$ 98,395</u>
Net change in working capital consists of:		
Decrease (increase) - accounts receivable	(714)	6,430
- prepaid expenses	(2,175)	
Increase (decrease) - accounts payable and accrued liabilities	5,433	(24,197)
- other current liabilities	<u>(950)</u>	<u>700</u>
	<u>\$ 1,594</u>	<u>\$ (17,067)</u>

The notes to financial statements are an integral
part of these financial statements.

St. Michael's Ukrainian Catholic Church Camp Inc.

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

1. Nature of Operations

The organization was incorporated on June 14, 1990 under the Non-Profit Corporations Act of Saskatchewan. The St. Michael's Ukrainian Catholic Church Camp Inc. is engaged in managing and maintaining certain lands and facilities operated as youth and family camps on behalf of the Ukrainian Catholic Episcopal Corporation of Saskatchewan. The organization, as a registered charity, is not subject to income tax.

2. Significant Accounting Policies

These financial statements are the responsibility of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations using the accounting policies as summarized below:

(a) Cash and cash equivalents

Cash and cash equivalents represents cash on hand and cash held in banks.

(b) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization subsequently measures all its financial assets and 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 excess of revenue over expenses.

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 excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no 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 excess of revenue over expenses.

(c) Capital assets

Tangible capital assets are recorded at acquisition cost. No provision has been made in these statements for amortization.

Acquisition costs for the buildings include: materials and labour, equipment rentals, capitalized interest and utilities during construction.

(d) Donated materials and service

The organization benefits from the donation of materials and services. These financial statements do not reflect the value of donations-in-kind received in the year.

St. Michael's Ukrainian Catholic Church Camp Inc.

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

2. Significant Accounting Policies - continued

(e) Revenue

The organization follows the deferral method of accounting for contributions. Restricted contributions, subject to external stipulations, are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(f) Other revenue

Participant fees are recognized in the period in which the event related to the fees takes place.

(g) 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 the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they became known.

3. Financial Instruments

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its long-term debt, other loans payable and accounts payable.

4. Accounts Receivable

2019

2018

Accounts receivable are comprised of the following item:

Taxes receivable

\$ 1,623

\$ 909

5. Operating Loan

The company has a demand operating line-of-credit available to a maximum of \$260,000 with the Ukrainian Catholic Episcopal Corporation of Saskatchewan. Interest is payable monthly at the rate of 3% per annum accruing interest until payments commence October 1, 2018. Subsequent advances are subject to certain restrictions including certain debt repayments.

St. Michael's Ukrainian Catholic Church Camp Inc.

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

	2019	2018
6. Accounts Payable and Accrued Liabilities		
Accounts payable and accrued liabilities are comprised of the following items:		
Accounts payable	5,139	4,846
Accrued liabilities	<u>5,943</u>	<u>803</u>
	<u>\$ 11,082</u>	<u>\$ 5,649</u>
7. Long-Term Loans Payable		
Loan payable - Affinity Credit Union Ltd.		
Maturity date - June 26, 2016 (to be updated upon new loan agreement)		
Original amount - \$750,000		
Purpose - complete construction of building		
Amortization period - due on demand		
Interest rate - Affinity Credit Union prime rate plus 2% (as at year end - 5.95%)		
Terms of repayment - interest-only paid monthly; balance due June 26, 2016 (to be updated upon new loan agreement)		
Security - first charge on property; general security agreement on all assets; assignment of rents; personal guarantees by three board members		
Net book value of assets held as security - \$2,272,850		
Balance, end of year	719,600	740,000
Loan payable - Ukrainian Catholic Episcopal Corporation of Saskatchewan		
Maturity date - September 1, 2019		
Original amount - \$84,000		
Purpose - purchase of capital assets		
Amortization period - 2 years		
Interest rate - 1.5%		
Terms of repayment - semi-annual principal payments of \$5,000 and quarterly interest payments		
Security - none		
Balance, end of year	<u>64,000</u>	<u>64,000</u>
	783,600	804,000
Less: Portion due in one year	<u>783,600</u>	<u>804,000</u>
	<u>\$ 0</u>	<u>\$ 0</u>

St. Michael's Ukrainian Catholic Church Camp Inc.

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

8. Interfund Transfers

During the year, the organization transferred \$12,461 from the unrestricted fund to the capital assets fund for the purchase of capital assets.

During the year, the organization transferred \$64,249 from the unrestricted fund to the capital assets fund for the repayment of and interest on long-term debt.

9. Leased Land

The organization signed a lease, effective May 7, 2013, with the Saskatchewan Ministry of Parks, Culture and Sport to lease the land the camp is located on. The lease expires on March 31, 2023 and contains a renewal subject to certain conditions.

10. Transactions with Related Parties

Included in these financial statements are transactions with related parties. These parties are related by virtue of being a member of the board of directors.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. Subsequent Events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The extent of this outbreak and related containment measures could have a material impact on the organization's operations, which cannot be reliably estimated at this time.

12. Prior Year Figures

The prior period figures reflect the results of operations and changes in cash flow for the ten-month period from March 1, 2018 to December 31, 2018.

Certain balances for comparative purposes have been reclassified to conform with the current year's presentation.