

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION

Financial Statements

Year Ended December 31, 2024

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
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Year Ended December 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Sylvan Lake Lutheran Bible Camp Association

We have reviewed the accompanying financial statements of Sylvan Lake Lutheran Bible Camp Association (the Association) that comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenditures, 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 (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.

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 entity, 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.

Basis for Qualified Conclusion

As a result of a material variance due to a change in reporting of mutual funds by Edward Jones, there is a difference in the 2024 calculated cost base of mutual funds as compared to historical records (historical records being greater). Details relating to the impact of the difference of \$9,783 (2023 - \$13,132) could not be obtained due to scope limitations. Our review conclusion on the financial statements for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation of scope.

(continues)

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Independent Practitioner's Review Engagement Report to the Members of Sylvan Lake Lutheran Bible Camp Association *(continued)*

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Sylvan Lake Lutheran Bible Camp Association as at December 31, 2024, 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 (ASNPO).

Red Deer County, Alberta
September 15, 2025

Zenally Chartered Professional Accountants LLP

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Statement of Financial Position
December 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash and restricted cash (Note 2)	\$ 163,632	\$ 218,076
Trust asset (Note 3)	738	-
Short term unrestricted investments (Note 4)	12,012	23,986
Short term restricted investments (Note 5)	700,000	458,354
Accounts receivable (Note 6)	23,890	10,022
Inventory	9,527	2,808
Goods and services tax recoverable	268	-
Prepaid expenses	26,087	30,348
	936,154	743,594
CAPITAL ASSETS (Note 7)	711,503	741,523
LONG TERM AND RESTRICTED INVESTMENTS (Note 8)	77,472	46,245
	<u>\$ 1,725,129</u>	<u>\$ 1,531,362</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 19,862	\$ 41,245
Trust liability (Note 3)	738	-
Goods and services tax payable	-	395
Deferred revenue (Note 10)	39,119	49,159
Current portion of callable debt (Note 11)	16,405	18,338
	76,124	109,137
Callable debt due thereafter (Note 11)	388,706	428,836
	464,830	537,973
DEFERRED CAPITAL CONTRIBUTIONS (Note 12)	802,095	494,591
UNAMORTIZED CAPITAL ALLOCATIONS (Note 13)	263,854	281,896
	1,530,779	1,314,460
NET ASSETS	194,350	216,902
	<u>\$ 1,725,129</u>	<u>\$ 1,531,362</u>

CONTINGENT LIABILITY (Note 15)

CONTRACTUAL COMMITMENT (Note 17)

SUBSEQUENT EVENTS (Note 20)

ON BEHALF OF THE BOARD



Philip Penrod

Director



Director

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Statement of Revenues and Expenditures
Year Ended December 31, 2024

	2024	2023
REVENUES		
Program and camper fee	\$ 462,445	\$ 489,414
Donations <i>(Notes 14, 17, 19)</i>	190,137	209,935
Fundraising activities and events	57,125	50,695
Operational grants	39,747	38,909
Interest and dividends <i>(Note 19)</i>	30,688	15,407
Amortization of unamortized capital allocations <i>(Note 13)</i>	21,358	22,566
Farm and acreage rent	7,650	7,650
Gas well lease	4,885	4,885
Bottle recycle and patronage income	745	613
	<u>814,780</u>	<u>840,074</u>
EXPENDITURES <i>(Schedule 1)</i>	<u>906,778</u>	<u>790,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES FROM OPERATIONS	<u>(91,998)</u>	<u>49,443</u>
OTHER REVENUES (EXPENDITURES)		
Unrealized gain (loss) on sale of short term investments <i>(Note 19)</i>	36,928	(15,646)
Disability insurance - wage recovery	18,306	-
Realized gain on short term investments <i>(Note 5)</i>	9,893	-
Gain (loss) on cash surrender value of life insurance	4,319	(453)
	<u>69,446</u>	<u>(16,099)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ (22,552)</u>	<u>\$ 33,344</u>

The accompanying notes are an integral part of the financial statements

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Statement of Changes in Net Assets
Year Ended December 31, 2024

	Unrestricted Endowment (1)		2024	2023
NET ASSETS - BEGINNING OF YEAR				
As previously reported	\$ 182,652	\$ 41,900	\$ 224,552	\$ 183,558
Prior period adjustments (Note 19)	(7,650)	-	(7,650)	-
As restated	175,002	41,900	216,902	183,558
Excess (deficiency) of revenues over expenditures	(22,552)	-	(22,552)	33,344
NET ASSETS - END OF YEAR	\$ 152,450	\$ 41,900	\$ 194,350	\$ 216,902

1. The Endowment, also referred to as the Future Vision Fund, allows for investment income earned on the principal to be used for general operations. The stipulation of the endowment is that the principal amount must be maintained.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Statement of Cash Flows
Year Ended December 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 463,191	\$ 526,039
Cash received from donors	179,887	241,172
Cash received from grantors	39,747	38,909
Interest received	21,883	15,407
Goods and services tax	(664)	(5,940)
Interest paid	(31,577)	(26,527)
Cash paid to suppliers and employees	(814,260)	(701,181)
Cash flow from (used by) operating activities	(141,793)	87,879
INVESTING ACTIVITIES		
Proceeds on sale of restricted investments	564,616	8,748
Purchase of capital assets	(6,099)	(27,039)
Purchase of restricted investments	(726,566)	(170,000)
Cash flow used by investing activities	(168,049)	(188,291)
FINANCING ACTIVITIES		
Donations received for capital purposes	297,462	263,668
Repayment of CEBA loan	-	(40,000)
Repayment of callable debt	(42,064)	(18,661)
Cash flow from financing activities	255,398	205,007
INCREASE (DECREASE) IN CASH FLOW	(54,444)	104,595
Cash - beginning of year	218,076	113,481
CASH - END OF YEAR	\$ 163,632	\$ 218,076

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION

Notes to Financial Statements

Year Ended December 31, 2024

NATURE AND DESCRIPTION OF THE ASSOCIATION

The Sylvan Lake Lutheran Bible Camp Association (the Association) is incorporated under the Alberta Societies Act and operates a summer camp for children as well as retreats in the spring and fall. The Association also rents its facilities to families and various organizations.

The Association, which is incorporated without share capital under the laws of Canada, is a registered Canadian charity and, as such, is exempt from income taxes. In order to maintain its status as a registered charity organization under the Act, the Association must meet certain requirements within the Act.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash and cash equivalents consist of cash and guaranteed investment certificates with a maturity from date of purchase of three months or less. Considering the short term to maturity of these investments, their carrying amount approximates fair value.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Inventory

Inventory is valued at the lower of cost and net realizable value.

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SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Purchased capital assets are initially recorded at cost. Contributed capital assets are initially recorded at fair value at the time of contribution when the fair value is reasonably determinable at the date of contribution. Amortization is recorded at rates designed to amortize the capital assets over their estimated useful lives at the following rates and methods:

Buildings	5%	straight-line method
Parking lot	1.25%	straight-line method
Motor vehicles	10%	straight-line method
Utility installations	4%	straight-line method
Equipment	20%	straight-line method
Land improvements	10%	straight-line method
Computer equipment	20%	straight-line method
Computer software	100%	straight-line method

The Association regularly reviews its capital assets to eliminate obsolete items.

Financial instruments policy

Initially, financial assets and financial liabilities are measured at fair value, adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Subsequently, all its financial assets and financial liabilities are measured at amortized cost, except for investments (if any) that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Revenues and Expenditures in the period incurred.

Financial assets measured at amortized cost include cash, accounts receivable and certain long term investments.

Financial assets measured at fair value include short term investments and long term assets with market values (which includes certain long term investments and the cash surrender value of life insurance policies).

Financial liabilities measured at amortized cost include accounts payable and callable debt.

At the end of each accounting period, the Association assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. If there is an indication of impairment and this will adversely affect future cash flows, the carrying amount is reduced and the amount of the reduction is recognized as an impairment loss in the Statement of Revenues and Expenditures in the period in which the impairment becomes known.

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SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Pledges are recorded when funds are received.

Rental income is recognized when it is earned.

Investment income includes dividend and interest income and realized and unrealized investment gains and losses which are recognized when earned or incurred.

Government grants are recognized when there is reasonable assurance that the Association has complied with and will continue to comply with all the necessary conditions to obtain the grant. The grant revenue is recorded in the year it is receivable or received, as long as the grant has been approved or the related expenditure occurred in the year.

Government grants received for the purchase of capital assets are deferred and recognized as revenue on the same basis as the related capital asset is amortized to expenditures.

Restricted donations received for the payment of expenditures are deferred and recognized as revenue when the related expenditure has occurred. Amounts received for the purchase of capital assets are deferred and recognized as revenue on the same basis as the related capital asset is amortized to expenditures.

Contributed materials and services

The association recognizes contributed materials and services when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the organization's operations and would otherwise have been purchased.

Volunteers contribute a significant amount of their time each year to assist the Association in carrying out its operations. Because of the difficulty in determining the related fair value, contributed services relating to volunteers are not recognized in the financial statements.

Management estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in revenues and expenditures in the period in which they become known. Actual results could differ from these estimates.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

2. CASH AND RESTRICTED CASH

	2024	2023
Cash	\$ 55,668	\$ 142,403
Restricted cash contrac account	107,964	75,673
	\$ 163,632	\$ 218,076

The restricted cash consists of \$107,964 (2023 - \$75,673) for externally restricted deferred capital contributions (Note 12).

3. TRUST ASSET AND TRUST LIABILITY

The trust asset and related trust liability is cash held by the Association for a separate legal entity LOFT (formerly Rooo).

4. SHORT TERM UNRESTRICTED INVESTMENTS

	2024	2023
Guaranteed investment certificate accrued interest	\$ 8,805	\$ -
Endowment earnings	3,207	-
Mutual funds	-	71,136
Market value adjustment	-	(47,150)
	\$ 12,012	\$ 23,986

5. SHORT TERM RESTRICTED INVESTMENTS

	2024	2023
Mutual fund investments	\$ -	\$ 358,354
Guaranteed investment certificate bearing interest at 5.15% per annum, matured December 2024	-	100,000
Guaranteed investment certificate bearing interest at 4.95% per annum, maturing February 2025	100,000	-
Guaranteed investment certificate bearing interest at 3.00% per annum, maturing September 2025	400,000	-
Guaranteed investment certificate bearing interest at 2.75% per annum, maturing December 2025	200,000	-
	\$ 700,000	\$ 458,354

Included in short term restricted investments is \$5,869 (2023 - \$12,869) for externally restricted deferred revenue (Note 10), \$694,131 (2023 - \$418,919) for externally restricted deferred capital contributions (Note 12) and \$nil (2023 - \$26,566) for endowment funds.

During the current year mutual funds were sold for \$425,955 (2023 - \$nil) which generated a realized loss of \$9,893 (2023 - \$nil). Part of the mutual funds balance was unrestricted (Note 4).

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

6. ACCOUNTS RECEIVABLE

	2024	2023
Donations	\$ 11,097	\$ 5,907
Insurance receivable	8,267	-
Government grant (Note 7)	2,300	-
Program and camper fees receivable	2,226	4,115
	\$ 23,890	\$ 10,022

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 330,344	\$ -	\$ 330,344	\$ 330,344
Buildings	1,078,373	838,155	240,218	263,730
Parking lot	22,008	4,126	17,882	18,157
Motor vehicles	50,756	34,586	16,170	20,056
Utility installations	38,448	24,607	13,841	15,379
Equipment	412,317	403,784	8,533	11,192
Land improvements	66,216	66,216	-	-
Computers and software	11,631	11,631	-	-
Buildings under construction	84,515	-	84,515	82,665
	\$ 2,094,608	\$ 1,383,105	\$ 711,503	\$ 741,523

Buildings under construction is the Kum N Yar environmental education centre. Renovation costs were incurred to move the project closer to completion in 2024 totaling \$1,850 (2023 - \$22,484). The project is expected to be completed in the year 2027 with an estimated total cost of \$100,000 (\$30,000 of which relates to the deemed fair value of the donated building).

During the year, a swim raft was purchased for \$4,249 that was partially covered by a \$2,300 Canada Paddle grant. The grant was received in May 2025 and is included in year-end accounts receivable (Note 6, 13). The swim raft has been included in equipment and the related grant has been deferred and amortized to income on the same basis as the related asset is depreciated to expense.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

8. LONG TERM AND RESTRICTED INVESTMENTS

	2024	2023
Cash surrender value of life insurance policies	\$ 34,576	\$ 29,914
Guaranteed investment funds	41,900	15,335
UFA equity	862	862
Co-op Equity	134	134
	\$ 77,472	\$ 46,245

The guaranteed investment funds of \$41,900 (2023 - \$15,335) are restricted and relate to endowments that must be permanently maintained.

The Association is the owner and beneficiary of two (2023 - three) life insurance policies insuring the lives of four (2023 - five) individuals. The potential insurance benefit provided by these policies is a total of \$209,628 (2023 - \$303,059). During the year, the Association chose to discontinue one of its life insurance policies.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accrued liabilities	\$ 11,000	\$ 13,013
Trade payables	2,784	15,804
MasterCard payable (Note 11)	2,588	12,182
Accrued interest	2,441	-
Source deductions	1,049	246
	\$ 19,862	\$ 41,245

10. DEFERRED REVENUE

	2024	2023
Facility rental	\$ 33,250	\$ 36,290
Benefaction Foundation donation	-	7,000
Way of Christ	5,869	5,869
	\$ 39,119	\$ 49,159

Benefaction Foundation donation includes unspent funds relating to amounts received to assist with large repairs. During the year, \$7,000 was spent to cover repair costs incurred during the year and the related revenue was recognized.

Way of Christ includes unspent funds relating to a program to raise funds for the purpose of bursaries.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

11. CALLABLE DEBT

Servus Credit Union Ltd. loan bearing interest at 7.35% per annum, repayable in monthly blended payments of \$3,810. The loan matures on May 1, 2028 and is secured by a general security agreement, an all purpose mortgage for \$855,000 representing a first fixed charge over buildings, land and improvements and a general assignment of rents.

Principal due in one year

<u>2024</u>	<u>2023</u>
\$ 405,111	\$ 447,174
<u>(16,405)</u>	<u>(18,338)</u>
\$ 388,706	\$ 428,836

Principal repayment terms are approximately:

2025	\$ 16,405
2026	17,656
2027	19,002
2028	20,377
2029	22,005
Thereafter	<u>309,666</u>
	<u>\$ 405,111</u>

The Association's loans are classified as current liabilities as the lender has the right to demand repayment.

The Association has been approved for a credit facility by Servus Credit Union Ltd. for a continuous demand mortgage. This financing represents land held as security known legally as the quarters NE 20-39-2-W5 and Pt. SW 21-39-2-W5 registered in the amount of \$855,000. The security lodged in support of this agreement is all required corporate resolutions, a general security agreement and assignment of rent over NE 20-39-2-W5 and Pt. SW 21-39-2-W5.

The Association has an authorized overdraft facility with a credit limit of \$40,000. The interest rate, if it is utilized, is prime plus 1.75%. Interest is payable monthly and the balance is due on demand. At December 31, 2024, the balance was \$nil (2023 - \$nil).

At year-end prime rate was 5.45%. Subsequent to year end, prime rate has decreased to 4.95%.

The Association has Servus Credit Union Business MasterCards with a combined \$20,000 (2023 - \$20,000) credit limit of which \$2,588 (2023 - \$12,182) was used as at December 31, 2024. This amount is included in accounts payable (Note 9). The MasterCards bear annual interest of 16.99% on overdue amounts.

The facilities agreement also stipulates a financial covenant that is required to be met on all of the loans including the overdraft protection. The financial ratio is as follows:

An annual debt service coverage ratio of not less than 1.25:1 .00. At year end, the Association was not in compliance.

The loan agreement provides that in the event of default, at the bank's discretion, the full amount of the debt becomes due and payable on demand.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

12. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent externally restricted capital funds that have been provided for a specific purpose (purchase of capital assets and debt repayment).

The funds have been received but the related capital purchase or debt repayment has not been made during the year. These unspent deferred capital contributions are not amortized to revenues or adjusted to net assets until the outlay has been made.

13. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted capital funds that have been spent but have yet to be amortized to revenues over the useful life of the applicable capital asset to which the restricted capital allocations apply.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 281,896	\$ 262,978
Donated capital assets	-	24,000
Donations specified for capital improvements	1,016	17,484
Grant spent on capital purchases (Note 7)	2,300	-
Amortization of unamortized capital allocations	<u>(21,358)</u>	<u>(22,566)</u>
Balance, end of year	<u>\$ 263,854</u>	<u>\$ 281,896</u>

14. CONTRIBUTED MATERIALS AND SERVICES

Contributed materials and services in the financial statement for the year ending December 31, 2024 include \$45,051 (2023 - \$29,858) in donations as well as \$nil (2023 - \$24,000) for contributed capital assets.

15. CONTINGENT LIABILITY

The Association had a contingent liability resulting from an ongoing legal dispute related to a right of way easement. The outcome of the legal dispute was either keep the right of way easement in place or the Association would be required to relocate road access to the Association's property.

As at the date of the Independent Practitioner's Review Engagement Report, the land and right of way easement was purchased by the Association in April 2025 using vendor take-back loans. The contingent liability could still be applicable if the loan is not settled or refinanced by the due date (Note 20).

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

16. RELATED PARTY TRANSACTIONS

The Association has an agreement with the Executive Director to pay for accommodation expenses. During the year, the existing Executive Director stepped down, and a new Executive Director was elected by the board.

The new Executive Director moved into a house owned by the Association. The fair market value of the monthly rent for the house has been determined to be \$2,500 per month and therefore, a taxable benefit of \$18,750 (representing 7.5 months) (2023 - \$nil) has been included in wages and benefits.

The retiring Executive Director lived in a farm house owned by the Association. The fair market value of the monthly rent for the farm house has been determined to be \$500 per month and therefore, a taxable benefit of \$4,500 (representing 9 months) (2023 - \$6,000) has been included in wages and benefits.

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.

17. CONTRACTUAL COMMITMENT

The Association entered into a contractual commitment on August 1, 2022. The commitment was to provide fundraising services to the Association with the goal to raise \$2.5 million for the purchase of 10 acres of land. The commitment expired on December 31, 2023 and had a total financial commitment of \$51,625 USD, plus travel and other expenses incurred by the consultant in providing the program to the Association. Such expenditures are not to exceed a total of \$9,000.

As of the 2023 fiscal period end, a total of \$333,667 was raised and total expenditures of \$69,999 were incurred. Of the total funds raised, \$263,668 was allocated to Deferred Capital Contributions and \$69,999 was allocated to cover campaign expenditures.

During fiscal 2024, the Association did not enter into any new contractual commitments upon the expiry of the commitment noted.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

18. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of December 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers. The Association has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Association is mainly exposed to interest risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its fixed interest rate guaranteed investment certificates, floating interest rate on bank indebtedness and credit facilities.

There have been no significant changes in risk from the prior year other than the removal of other price risk by transfer of investments from mutual funds to guaranteed investment certificates.

19. PRIOR PERIOD ADJUSTMENTS

Deferred Capital Contributions

A prior period adjustment was recorded relating to deferred capital contributions. In the prior year, donations totaling \$7,650 were included as donation revenue, rather than as deferred capital contributions.

The effect of the error in the prior year is that revenue was overstated by \$7,650, and long-term liabilities were understated by \$7,650.

The 2023 closing and 2024 opening net assets have been decreased by \$7,650 as a result of the transaction noted above.

Mutual Fund Investments

A prior period adjustment was recorded relating to a mutual fund investment held with Edward Jones. In the prior year, return of capital was erroneously recorded as investment revenue in the amount of \$8,747.

The effect of the error in the prior year is that investment revenue was overstated by \$8,747 and the unrealized loss on short term investments was also overstated by \$8,747.

There was no impact to net assets as a result of this adjustment.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION
Notes to Financial Statements
Year Ended December 31, 2024

20. SUBSEQUENT EVENTS

In April 2025, the Association purchased 10 acres of land. Deferred capital contributions were used to pay for a portion of the \$1,726,840 land value, with the remaining \$1,043,750 financed as vendor take-back loans, at an interest rate of 3.5%. Interest of \$36,531 is due annually, and the principal balance of \$1,043,750 is due to be paid on April 11, 2029. No significant changes to operations are immediately expected as a result of the land purchase.

21. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

SYLVAN LAKE LUTHERAN BIBLE CAMP ASSOCIATION

Expenditures

(Schedule 1)

Year Ended December 31, 2024

	2024	2023
Wages and benefits <i>(Note 16)</i>	\$ 349,247	\$ 264,000
Groceries	82,388	84,055
Maintenance and supplies	63,050	43,429
Insurance	55,705	53,829
Amortization	36,119	41,445
Subcontracts	34,750	-
Utilities	32,082	33,946
Promotional items and events <i>(Notes 14, 17)</i>	31,218	92,974
Interest on callable debt	27,909	24,155
Gift in kind <i>(Note 14)</i>	25,835	1,125
Employee benefits	25,734	19,589
Advertising and promotion	22,247	27,251
Program materials and supplies	18,151	15,585
Rent <i>(Note 14)</i>	18,043	11,250
Conferences and workshops	17,748	13,203
Professional fees	15,826	16,605
Travel	11,493	12,219
Office and postage	10,208	8,668
Property taxes	7,068	6,553
Bank charges	6,113	2,371
Non-refundable GST	5,882	6,872
Staff training	5,298	4,849
Telephone	3,064	3,705
Memberships	870	938
Life insurance	730	2,015
	\$ 906,778	\$ 790,631

The accompanying notes are an integral part of the financial statements