

Saskatchewan Baptist Association Inc.

Audited Financial Statements

For the Year Ended December 31, 2017

Saskatchewan Baptist Association Inc.

For the Year Ended December 31, 2017

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Independent Auditors' Report

To the Board of Directors
Saskatchewan Baptist Association Inc.

We have audited the accompanying financial statements of Saskatchewan Baptist Association Inc., which comprise the Statement of Financial Position as at December 31, 2017, and the Statements of Operations, Statement of Net assets and Cash Flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Baptist Association Inc. as at December 31, 2017, and its financial performance and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

June 26, 2018

Saskatchewan Baptist Association Inc.

Statement of Financial Position

As At December 31, 2017

	Note	2017	2016
Assets			
Current Assets			
Cash	\$	94,596	\$ 39,500
Accrued interest receivable		-	1,622
GST receivable		-	241
Short term investments		111,503	252,869
Accounts receivable, net of allowances		-	41
Total Current Assets		206,099	294,273
Long term investments		127,635	-
Property, plant and equipment, net of accumulated amortization		102,000	102,000
Total Assets	\$	435,734	\$ 396,273
Liabilities and Net Assets			
Current Liabilities			
Audit fee payable	\$	1,665	\$ 1,665
Deferred income/revenue		1,000	4,000
Total Current Liabilities		2,665	5,665
Net Assets			
Net Assets		433,069	390,608
Total Liabilities and Net Assets	\$	435,734	\$ 396,273

Approved on Behalf of the Board:

[Signature] Regional Minister 27/06/2018
[Signature] TREASURER June 27/2018

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

Saskatchewan Baptist Association Inc.

Statement of Operations

For the Year Ended December 31, 2017

	2017	2016
Revenue		
Association giving	\$ 97,485	\$ 82,650
Interest income	6,271	6,057
Individual donations and other income	-	3,489
Property donation	47,500	-
Group benefits - net, after rebate	4,074	-
Total revenue	155,330	92,196
SBA Association		
Area minister (schedule 1)	53,615	52,696
Memberships and licenses	465	225
Good Spirit Camp - Insurance	12,536	12,000
Hosting Association	2,397	972
Group benefits - net, after rebate	-	4,074
Professional fees	1,665	1,665
Office expenses	2,488	2,386
Total SBA Association	73,166	74,018
SBA Ministries and Reserve Funds		
Good Spirit Camp	12,000	12,201
Vintage Church Plant	9,000	-
First Nations Ministry	1,900	-
SBA Missionary	400	3,120
Youth	-	58
Triennial expenses	6,000	4,000
Property taxes	2,933	-
Temple utilities	2,500	1,758
Temple expenses	4,970	2,580
Hosting association	-	757
Total SBA Ministries and Reserve Funds	39,703	24,474
Net revenue over expenditures	\$ 42,461	\$ (6,296)

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

Saskatchewan Baptist Association Inc.

Statement of Net Assets

For the Year Ended December 31, 2017

	2017	2016
Net assets opening	\$ 390,608	\$ 396,904
Net revenue over expenditures	42,461	(6,296)
Net assets ending	\$ 433,069	\$ 390,608

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

Saskatchewan Baptist Association Inc.

Statement of Cash Flows

For the Year Ended December 31, 2017

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net revenue over expenditures	\$	42,461	\$ (6,296)
Change in accrued receivables		1,864	378
Change in accounts receivable		41	(41)
Increase(decrease) in deferred revenue		(3,000)	1,000
Change in accounts payable		-	(243)
TOTAL CASH FLOWS FROM OPERATING ACTIVITIES		41,366	(5,202)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchased Long term investments		(127,635)	-
CASH FLOWS FROM FINANCING ACTIVITIES:			
OTHER ACTIVITIES:			
Net cash increase (decreases) in cash and cash equivalents		(86,269)	(5,202)
Cash and cash equivalents at beginning of period		292,368	297,570
Cash and cash equivalents at end of period	\$	206,099	\$ 292,368
Cash and cash equivalents consist of the following:			
Cash	\$	94,596	\$ 39,501
Short term investments		111,503	252,867
Cash and cash equivalents at end of period	\$	206,099	\$ 292,368

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

Saskatchewan Baptist Association Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

1. Significant Accounting Policies

These financial statements have been prepared in accordance with the Canadian Accounting Standards for Not-for-Profit organizations:

a. Nature of business/basis of preparation

Saskatchewan Baptist Association Inc. is a group of baptist churches that associate voluntarily to provide leadership support to the Baptist churchers in Saskatchewan which are part of the North American Baptist Conference, provide local representation and input to the North American Baptist Conference, support the Bible Camp at Good Spirit Lake, and provide support to missionary work in Saskatchewan.

b. Cash and cash equivalents

Cash and cash equivalents includes short-term investments.

c. Revenue recognition

Revenue from donations are recognized in the year when received. Revenue from interest is recognized in the year it is earned.

d. Investment

All investments are classed as short and long term investments and interest accrued at year end is reported as income on the statement of operations.

Short term investments consist of term investments all maturing within the next year. Accrued interest has been calculated at the interest rates specified for each investment.

Long term investments consist of three and five year bonds. Accrued interest has been calculated at the interest rates specified for each investment. Interest is paid annually.

e. GST Rebate

The non profit GST rebate is recorded as revenue in the year earned rather than being netted against the applicable expense.

f. Voluntary services

The operation of the Association is fully dependent on voluntary services. Since these services would not normally be purchased, and because of the difficulty of determining the fair market value of donated services, these donated services are not recognized in these financial statements.

Saskatchewan Baptist Association Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

1. Significant Accounting Policies continued

g. Financial instruments

The organization's financial instruments consist of cash, investments, accounts receivable, accounts payable and accruals. Unless otherwise noted it is the board's opinion that the organization is not exposed to significant interest or credit risk arising from these financial instruments. The fair value of these financial instruments approximates the carrying value unless otherwise noted.

h. Capital assets

Capital assets are stated at the market value. No amortization has been calculated on the assets at this time.

Purchases of office and computer equipment are expensed in the year purchased.

The asset of Good Spirit Camp consists of a quarter section of land near Good Spirit Provincial Park. Buildings on the land include a kitchen, dining hall, dormitories, washrooms and showers. The value of the buildings are not segregated from the value of the land. No amortization has been claimed on the asset.

In 2016, the Association has appropriated a church "Temple Baptist" in Jansen, SK and residential house that belongs to the same church. The actual land title has not been transferred to the Association during 2017, however, the Association was responsible for paying utilities, taxes and insurance on two buildings.

During 2017, a church building and lots 13 in Jansen sold for \$47,500 together, which was recognized as property donation.

i. Use of estimates

The preparation of financial statements with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue 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.

Saskatchewan Baptist Association Inc.

Notes to the Financial Statements

For the Year Ended December 31, 2017

2. Investment

Short-term investments:

	2017		2016	
	2017	2016	2017	2016
Church Investors Fund Foundation Board@0.75%	\$ 5,928	\$ 25,754		
Church Investors Fund Nov 27, 2016@2.25%	-	53,236		
Church Investors Fund Mar 1, 2017@2.25%	-	20,000		
Church Investors Fund Nov 1, 2017@2.25%	-	51,125		
Church Investors Fund May 14, 2018@2.25%	52,788	51,378		
Church Investors Fund Nov 27, 2019@2.75%	52,787	51,376		
Total	\$ 111,503	\$ 252,869		

	2016		2016	
Long-term investments	2017	2016	2016	2016
Church Investors Fund Mar 1, 2020@2.75%	\$ 20,449	\$ -		
Church Investors Fund Nov 27, 2020@2.5%	30,000	-		
Church Investors Fund Dec 21, 2021@2.575%	77,186	-		
Total	\$ 127,635	\$ -		

Saskatchewan Baptist Association Inc.

For the Year Ended December 31, 2017

Schedule 1- Area Minister

	2017	2016
Reginal Minister: Medical	\$ 2,534	\$ 2,038
Reginal Minister: Reginal Minister CPP and EI	1,815	1,912
Reginal Minister: Reginal Minister Salary	41,105	41,105
Reginal Minister: Travel & Expenses	7,528	6,926
Reginal Minister: Payroll Services	633	715
Total Area Minister	\$ 53,615	\$ 52,696

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