

***Aperture***  
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**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY**

**FINANCIAL STATEMENTS**

**AUGUST 31, 2021**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of:  
High Level Christian Education Society

**Opinion**

We have audited the financial statements of HIGH LEVEL CHRISTIAN EDUCATION SOCIETY, which comprise of the statement of financial position as at AUGUST 31, 2021, statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of HIGH LEVEL CHRISTIAN EDUCATION SOCIETY as at AUGUST 31, 2021 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**Basis for Opinion**

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 School Society 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's 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 these financial statements, management is responsible for assessing the School Society's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the School Society or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the School Society's financial reporting process.

### **Auditor's Responsibility 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 School Society'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 School Society'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 School Society 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.

Calgary, Alberta  
November 22, 2021



CHARTERED PROFESSIONAL ACCOUNTANTS

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
STATEMENT OF FINANCIAL POSITION  
AUGUST 31, 2021**

	<u>2021</u>	<u>(Note 9) 2020</u>
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash	\$ 174,538	\$ 55,178
Restricted cash (Note 3)	92,257	121,778
Accounts receivables	2,928	-
Goods and services tax	738	497
Prepaid expenses	<u>6,883</u>	<u>8,716</u>
	277,344	186,169
Property, plant and equipment (Note 4)	<u>182,601</u>	<u>213,514</u>
	<u>\$ 459,945</u>	<u>\$ 399,683</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 7,376	\$ 8,196
Unearned revenue	<u>-</u>	<u>3,970</u>
	<u>7,376</u>	<u>12,166</u>
Economic dependence (Note 5)		
Related parties transactions (Note 6)		
Subsequent events (Note 7)		
<b><u>NET ASSETS</u></b>		
Investment in property, plant and equipment	182,601	213,514
Capital reserve	92,257	121,778
Unrestricted	<u>177,711</u>	<u>52,225</u>
	<u>452,569</u>	<u>387,517</u>
	<u>\$ 459,945</u>	<u>\$ 399,683</u>

APPROVED BY THE BOARD:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
STATEMENT OF OPERATIONS  
YEAR ENDED AUGUST 31, 2021**

	<u>2021</u>	(Note 9) <u>2020</u>
<b>REVENUE</b>		
Academic activities	\$ 274	\$ 2,838
Administrative and sundry	4,234	4,595
Donations		
Building	896	3,757
Designated funds	-	606
General	49,535	38,029
Fundraising (Note 8)	104,115	115,572
Government grants	312,793	255,107
Tuition and registration fees	<u>62,654</u>	<u>87,154</u>
	<u>534,501</u>	<u>507,658</u>
<b>EXPENSES</b>		
Academic	88,197	50,513
Amortization	30,913	30,913
Bad debts	-	464
Building and facility	45,906	7,956
Designated funds	-	606
Employee wages and benefits	206,275	301,665
Fundraising (Note 8)	64,674	65,109
Insurance	2,419	2,540
Interest and bank charges	2,103	1,914
Office	4,351	4,444
Professional development	701	4,532
Professional fees	8,425	8,146
Special needs	3,384	3,241
Telephone	-	572
Utilities	<u>12,101</u>	<u>11,107</u>
	<u>469,449</u>	<u>493,722</u>
Excess of revenue of expenses	<u>\$ 65,052</u>	<u>\$ 13,936</u>

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED AUGUST 31, 2021**

	Invested in Property, plant and equipment	Unrestricted	Capital	Net Assets	
				2021	2020
Net assets, beginning of year	\$ 213,514	\$ 52,225	\$ 121,778	\$ 387,517	\$ 373,581
(Deficiency) excess of revenue over expenses	<u>( 30,913)<sup>1</sup></u>	<u>125,486</u>	<u>( 29,521)<sup>2</sup></u>	<u>65,052</u>	<u>13,936</u>
Net assets, end of year	<u>\$ 182,601</u>	<u>\$ 177,711</u>	<u>\$ 92,257</u>	<u>\$ 452,569</u>	<u>\$ 387,517</u>

<sup>1</sup>Consists of:

Amortization

\$ 30,913

<sup>2</sup>Consists of:

Approved roofing expenses using internally restricted resources

\$( 29,521 )

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2021**

	2021	(Note 9) 2020
<b>CASH FLOWS PROVIDED FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 65,052	\$ 13,936
Items not affecting cash		
Amortization	30,913	30,913
Expenses from (interest on) restricted investments	29,521	( 38)
Change in non-cash working capital accounts		
Accounts receivable	( 2,928)	471
Other receivable	( 241)	480
Prepaid expenses	1,832	( 5,238)
Accounts payable and accrued liabilities	( 820)	( 9,153)
Deferred revenue	( 3,970)	3,970
	<b>119,359</b>	<b>35,341</b>
 <b>Change in cash</b>	 <b>119,359</b>	 <b>35,341</b>
Cash, beginning of year	55,178	19,837
Cash, end of year	\$ 174,537	\$ 55,178

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2021**

**1. PURPOSE OF THE ORGANIZATION**

The High Level Christian Education Society is a local organization that delivers education programs under the Authority of the School Act, Chapter S-3, Statutes of Alberta 2000. The High Level Christian Education Society was incorporated under the Societies Act of Alberta as a not-for-profit organization, and is registered with the Canada Revenue Agency as a charitable organization issuing tax deductible receipts to individual and corporate donors that qualify under the Income Tax Act. The Society is exempt from federal and provincial income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO) applied on a going basis.

**Cash and equivalents**

Cash and cash equivalents consists of cash held in banks and guaranteed investment certificates (GIC) with a maturity date of ninety days or less. The stated value of the GIC estimates the fair value.

Certain amounts in cash have been restricted to support future capital projects for the Society. See Note 3.

**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 the reported amount 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 became known.

Significant estimates included in these financial statements include amortization of property, plant and equipment and ability to collect on accounts receivable.

**Financial instruments**

Financial instruments are recorded at exchanged rate when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealised gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

The School Society's financial instruments consists of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise indicated, it is management's opinion that the School Society is not exposed to significant interest or credit risks rising from these financial instruments. The exchange value of these financial instruments approximate their carrying value, unless otherwise noted.

The Society is exposed to liquidity risk as it is dependent on future grants and other school generated funds to fund the ongoing operations.



**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property, plant and equipment**

Property, plant and equipment are recorded at cost. Amortization on property, plant and equipment is recorded based on their estimated useful life on a straight line basis at the following rates.

Buildings	4%
Playground	5%
Equipment	20%

The School Society regularly reviews its property, plant and equipment to eliminate obsolete items and determine any impairment. Government grants are treated as a reduction of property, plant and equipment costs.

**Revenue recognition**

Donations, academic activities, administrative and sundry income, government grants and fundraising are recognized in the year to which they relate.

Tuition and registration fees are recognized as revenue when such courses and programs are delivered.

Designated funds are recorded as designated contribution liabilities until spent. Once spent, they are transferred to revenue on the same basis as the assets or expenditures acquired by the funds.

**Operating and capital reserves**

Reserves are established at the discretion of the Board of Directors of the Society to set aside funds for operating and for capital purposes. Such reserves are appropriations of unrestricted net assets.

**Contributed services**

As with most charitable organizations, significant donations of time and services are received during each year. Due to the difficulties in establishing dollar values for these services, no attempt has been made to include a value for the services in the records of the School Society.

**3. RESTRICTED CASH**

Cash of \$92,257 (2020 - \$121,778) have been set aside for capital purposes.

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2021**

**4. PROPERTY, PLANT AND EQUIPMENT**

	<u>2021 Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>
Land	\$ 87,341	\$ -	\$ 87,341
Building	610,135	517,247	92,888
Playground	78,552	76,180	2,372
Equipment	<u>12,898</u>	<u>12,898</u>	<u>-</u>
	<u>\$ 788,926</u>	<u>\$ 606,325</u>	<u>\$ 182,601</u>

  

	<u>2020 Cost</u>	<u>Accumulated Amortization</u>	<u>Net book value</u>
Land	\$ 87,341	\$ -	\$ 87,341
Building	610,135	492,841	117,294
Playground	78,552	72,252	6,300
Equipment	<u>12,898</u>	<u>10,319</u>	<u>2,579</u>
	<u>\$ 788,926</u>	<u>\$ 575,412</u>	<u>\$ 213,514</u>

**5. ECONOMIC DEPENDENCE**

During the year, the School Society received \$312,793 (2020 - \$255,107) Alberta Government grants, representing 59% (2020 - 50%) of the School Society's total revenue. As such, the School Society's future economic viability is dependent on its continuance to receive such funding.

**6. RELATED PARTY TRANSACTIONS**

The School Society collected \$4,542 in donations from various board members or families who are related to member on the Board of Directors. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**7. SUBSEQUENT EVENT**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

As at August 31, 2021, the School Society had made changes in its operation in response to the COVID-19 crisis.

Management believes that some aspects of the disruption to operations may be temporary; however, there is uncertainty about the length and potential long term impact of the disruption.

**HIGH LEVEL CHRISTIAN EDUCATION SOCIETY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED AUGUST 31, 2021**

**8. FUNDRAISING**

In order to raise \$104,115 (2020 - \$115,572) of fundraising revenue, the School Society spent \$64,674 (2020 - \$65,109) on expenses incurred for the purposes of obtaining such revenue. All fundraising activities were organized and ran by volunteers. The School Society has no employees whose principal duties involve fundraising.

**9. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with current year's presentation.