

CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL

FINANCIAL STATEMENTS
AUGUST 31, 2022
(Unaudited)

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Cambridge District Association for Christian Education

We have reviewed the accompanying financial statements of Cambridge District Association for Christian Education Operating as Woodland Christian High School (the "Association"), which comprise the balance sheet as at August 31, 2022, and the statement of revenues and expenses, statement of changes in fund balances and statement of 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, 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

Cambridge District Association for Christian Education derives a material amount of revenue from donations and fundraising activities. We were not able to obtain sufficient appropriate evidence about the completeness of the reported amounts for accounts receivable, donation and fundraising revenue, excess (deficiency) of revenues over expenses and changes in fund balances because there is no direct relationship between assets or services given up in exchange for amounts received or receivable. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Conclusion

Based on our review, except for the 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 Cambridge District Association for Christian Education as at August 31, 2022, 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.

DBK Accounting Professional Corporation
Authorized to practice public accounting by the Chartered
Professional Accountants of Ontario

Hamilton, Ontario
October 24, 2022

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**BALANCE SHEET
AS AT AUGUST 31, 2022
(Unaudited)**

	General Fund 2022	Restricted Fund 2022	Total 2022	Total 2021
ASSETS				
CURRENT ASSETS				
Cash	\$ 353,132	\$ 230,654	\$ 583,786	\$ 913,278
Tuition receivable (Note 3)	121,227	-	121,227	153,530
Government remittances recoverable	130,637	-	130,637	94,954
Accounts receivable	5,957	-	5,957	13,066
Prepaid expenses	25,985	-	25,985	29,715
Due from Restricted Fund (Note 4)	1,442,245	-	1,442,245	1,176,220
	<u>2,079,183</u>	<u>230,654</u>	<u>2,309,837</u>	<u>2,380,763</u>
CAPITAL ASSETS (Note 5)	<u>-</u>	<u>5,979,753</u>	<u>5,979,753</u>	<u>5,985,498</u>
	<u><u>\$ 2,079,183</u></u>	<u><u>\$ 6,210,407</u></u>	<u><u>\$ 8,289,590</u></u>	<u><u>\$ 8,366,261</u></u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 64,472	\$ -	\$ 64,472	\$ 59,358
Prepaid tuition fees	182,580	-	182,580	164,717
Current portion of long-term debt (Note 6)	-	80,000	80,000	136,000
Due to General Fund (Note 4)	-	1,442,245	1,442,245	1,176,220
	<u>247,052</u>	<u>1,522,245</u>	<u>1,769,297</u>	<u>1,536,295</u>
LONG-TERM DEBT (Note 6)	<u>-</u>	<u>1,810,000</u>	<u>1,810,000</u>	<u>1,868,000</u>
	<u>247,052</u>	<u>3,332,245</u>	<u>3,579,297</u>	<u>3,404,295</u>
FUND BALANCES				
General Fund	1,832,131	-	1,832,131	1,926,036
Capital Fund	-	2,647,508	2,647,508	2,805,276
Tuition Assistance Fund	-	230,654	230,654	230,654
	<u>1,832,131</u>	<u>2,878,162</u>	<u>4,710,293</u>	<u>4,961,966</u>
	<u><u>\$ 2,079,183</u></u>	<u><u>\$ 6,210,407</u></u>	<u><u>\$ 8,289,590</u></u>	<u><u>\$ 8,366,261</u></u>

Approved on behalf of the board

Director, _____

Director, _____

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)**

	General Fund	Capital Fund	Tuition Assistance Fund	Total	Total
	2022	2022	2022	2022	2021
BALANCE, BEGINNING OF YEAR	\$ 1,906,487	\$ 2,805,276	\$ 120,534	\$ 4,832,297	\$ 4,638,871
Prior period adjustment (Note 7)	19,548	-	110,120	129,668	129,668
Fund balances, beginning of year	1,926,035	2,805,276	230,654	4,961,965	4,768,539
Deficiency of revenues over expenses	(93,904)	(157,768)	-	(251,672)	193,427
Fund balances, end of year	<u>\$ 1,832,131</u>	<u>\$ 2,647,508</u>	<u>\$ 230,654</u>	<u>\$ 4,710,293</u>	<u>\$ 4,961,966</u>

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**STATEMENT OF REVENUES AND EXPENSES - GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2022**

(Unaudited)

	Budget 2022	Actual 2022	Actual 2021
REVENUES			
Tuition fees (Note 8)	\$ 4,045,428	\$ 3,902,758	\$ 3,917,430
Tuition assistance donations (Note 8)	140,000	129,251	160,646
Rent	100,000	131,033	103,024
Federal grants	3,500	74,002	106,630
Donations	105,000	65,090	157,794
Fundraising (Note 9)	60,000	55,419	49,156
Grants from other charities	20,000	36,402	37,212
Church support	30,000	27,071	24,439
Interest and other	-	13,335	12,868
Membership fees	14,000	9,977	10,755
	<u>4,517,928</u>	<u>4,444,338</u>	<u>4,579,954</u>
EXPENSES			
Administrative (page 4)	176,000	183,969	163,387
Donations	-	15,965	84,193
Educational (page 4)	340,000	257,253	205,850
Interest on long-term debt	30,000	25,149	25,564
Property (page 4)	307,000	314,648	321,973
Salaries and benefits (page 4)	3,110,002	3,123,430	2,989,403
Transportation (page 4)	579,600	617,828	450,548
	<u>4,542,602</u>	<u>4,538,242</u>	<u>4,240,918</u>
Excess (deficiency) of revenues over expenses	<u>\$ (24,674)</u>	<u>\$ (93,904)</u>	<u>\$ 339,036</u>

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**SCHEDULE OF EXPENSES - GENERAL FUND
AUGUST 31, 2022
(Unaudited)**

	Budget 2022	Actual 2022	Actual 2021
SALARIES AND BENEFITS			
Substitute teaching	\$ 21,714	\$ 12,642	\$ 4,743
Support staff salaries and benefits	393,527	320,962	284,846
Teaching salaries and benefits	2,596,000	2,789,826	2,699,814
	<u>\$ 3,011,241</u>	<u>\$ 3,123,430</u>	<u>\$ 2,989,403</u>
PROPERTY			
Custodial contracts	\$ 97,000	\$ 97,748	\$ 96,604
Insurance	25,000	25,569	27,014
Maintenance - building and grounds	100,000	106,131	122,459
Utilities	85,000	85,200	75,896
	<u>\$ 307,000</u>	<u>\$ 314,648</u>	<u>\$ 321,973</u>
ADMINISTRATIVE			
Bank charges	\$ 2,000	\$ 4,154	\$ 2,627
Board and committee expenses	25,000	38,927	49,303
Membership dues and fees	22,000	18,415	17,355
Office and general	34,000	29,722	17,556
Professional fees	14,000	29,191	21,172
Promotion and development	75,000	58,317	50,630
Telephone	4,000	5,243	4,744
	<u>\$ 176,000</u>	<u>\$ 183,969</u>	<u>\$ 163,387</u>
EDUCATIONAL			
Class trips (Note 10)	\$ 90,000	\$ 47,492	\$ 406
Consumable school supplies	86,000	84,382	114,841
Equipment lease	19,000	10,458	11,220
Equipment maintenance	50,000	53,101	45,747
Professional development	35,000	24,188	11,188
Student activities (Note 10)	60,000	37,632	22,448
	<u>\$ 340,000</u>	<u>\$ 257,253</u>	<u>\$ 205,850</u>
TRANSPORTATION			
Salaries and benefits	\$ 85,000	\$ 85,982	\$ 83,803
Transportation contract and other	720,000	786,197	484,489
Expense recoveries	(225,400)	(254,351)	(117,744)
	<u>\$ 579,600</u>	<u>\$ 617,828</u>	<u>\$ 450,548</u>

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**STATEMENT OF REVENUES AND EXPENSES - RESTRICTED FUNDS
AUGUST 31, 2022
(Unaudited)**

	Capital Fund 2022	Tuition Assistance Fund 2022	Total 2022	Total 2021
REVENUE				
Capital campaign donations	\$ 10,000	\$ -	\$ 10,000	\$ 11,200
Capital grants from charities	19,838	-	19,838	26,925
Capital donations education & property	30,125	-	30,125	37,850
	<u>59,963</u>	<u>-</u>	<u>59,963</u>	<u>75,975</u>
EXPENSES				
Amortization	186,995	-	186,995	190,755
Interest on long-term debt	30,736	-	30,736	30,829
	<u>217,731</u>	<u>-</u>	<u>217,731</u>	<u>221,584</u>
Deficiency of revenues over expenses	<u>\$ (157,768)</u>	<u>\$ -</u>	<u>\$ (157,768)</u>	<u>\$ (145,609)</u>

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2022
(Unaudited)**

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (251,672)	\$ 193,427
Adjustments for		
Amortization	186,995	190,755
	<u>(64,677)</u>	<u>384,182</u>
Change in non-cash working capital items		
Tuition receivable	32,303	58,397
Accounts receivable	7,109	224
Government remittances recoverable	(35,683)	520,374
Prepaid expenses	3,730	(5,908)
Accounts payable and accrued liabilities	5,116	29,637
Prepaid tuition fees	17,863	(732)
	<u>(34,239)</u>	<u>986,174</u>
INVESTING ACTIVITIES		
Additions to capital assets	<u>(181,253)</u>	<u>(215,629)</u>
FINANCING ACTIVITIES		
Repayment of mortgage principal	(110,000)	(234,000)
Repayment of member loans	(4,000)	(12,000)
	<u>(114,000)</u>	<u>(246,000)</u>
Increase (decrease) in cash	(329,492)	524,545
Cash, beginning of year	913,278	388,733
Cash, end of year	<u>\$ 583,786</u>	<u>\$ 913,278</u>
Cash consists of:		
Cash - General Fund	\$ 353,132	\$ 682,624
Cash - Restricted Funds	230,654	230,654
	<u>\$ 583,786</u>	<u>\$ 913,278</u>

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022
(Unaudited)**

1. PURPOSE OF THE ASSOCIATION

The Association is a not-for-profit organization, and is incorporated without share capital by letters patent issued under the laws of the Province of Ontario. It is a registered charity with Canada Revenue Agency and is therefore exempt from income taxes as provided under the Income Tax Act.

The purpose of the Association is to establish, maintain and operate a school or schools for Christian education and to promote Christian education.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) FUND ACCOUNTING

All revenues, expenses, assets and liabilities relating to the day to day operations of the Association are reported in the Association's General Fund.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets and the capital campaign.

The Tuition Assistance Fund reports the reserve for tuition assistance. Available funds for tuition assistance are a combination of funds raised in the current year as reported in the General Fund plus an amount held in the Tuition Assistance Fund. Funds raised for tuition assistance are granted in the year received with an opportunity, on an annual basis, to transfer funds into or from the Tuition Assistance Fund.

(b) REVENUE RECOGNITION

Restricted donations and grants related to the General Fund are recognized as revenue in the year in which the related expenses are incurred. All other restricted donations and grants are recognized as revenue of the Capital Fund in the year received or receivable. Unrestricted donations, government assistance and grants are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tuition, fundraising, membership fees and rental revenues are recognized as revenue in the period the service is provided.

(c) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(d) CAPITAL ASSETS

Capital assets are recorded at cost. The Association provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	Declining balance	2%
Textbooks and library books	Declining balance	20%
Furniture and equipment	Declining balance	20%
Computer equipment	Declining balance	30%

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022
(Unaudited)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(e) USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the reporting year. Actual results could differ from management's best estimates, as additional information becomes available in the future. The significant areas requiring management's judgement relate to the collectibility of accounts receivable and the rates of amortization used for capital assets.

(f) VOLUNTEER SERVICES

Because the hours of service by members and friends of the Association are not normally purchased and the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(g) FINANCIAL INSTRUMENTS

The Association initially measures its financial assets and financial liabilities 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.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, tuition receivable, accounts receivable and GST/HST recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

At the end of reporting period, the Association assesses whether there are any indications that a financial asset may be impaired. When there is an indication of impairment, the carrying amount of the asset is reduced and the amount of the reduction is recognized as an impairment loss in the statement of revenues and expenses.

3. TUITION RECEIVABLE

	2022	2021
Tuition receivable	\$ 137,248	\$ 171,876
Allowance for doubtful accounts	(16,021)	(18,346)
	<u>\$ 121,227</u>	<u>\$ 153,530</u>

4. INTERFUND BALANCES

At August 31, 2022, the Capital Fund owes the General Fund \$1,442,245 (2021 - \$1,176,220). There are no specific terms of repayment and no interest is charged on this loan.

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022
(Unaudited)**

5. CAPITAL ASSETS

	2022 Cost	2022 Accumulated Amortization	2022 Net	2021 Net
Land	\$ 214,444	\$ -	\$ 214,444	\$ 214,444
Buildings	7,181,080	1,694,636	5,486,444	5,481,793
Textbooks and library books	450,057	381,737	68,320	70,841
Furniture and equipment	1,251,301	1,070,493	180,808	181,650
Computer equipment	339,354	309,615	29,739	36,770
	<u>\$ 9,436,236</u>	<u>\$ 3,456,481</u>	<u>\$ 5,979,755</u>	<u>\$ 5,985,498</u>

6. LONG-TERM DEBT

	2022	2021
Mortgage payable, CRC Community RRSP	\$ 1,890,000	\$ 2,000,000
Member loans payable	-	4,000
Less current portion	80,000	136,000
	<u>\$ 1,810,000</u>	<u>\$ 1,868,000</u>

Estimated principal re-payments are as follows:

	2022
2023	\$ 80,000
2024	80,000
2025	80,000
2026	80,000
2027	80,000
	<u>400,000</u>
Subsequent	1,490,000
	<u>\$ 1,890,000</u>

The mortgage payable bears interest at a rate equal to the Canadian Imperial Bank of Commerce's minimum lending rate plus 2% or such lesser rate as is set by the mortgagor's manager on a quarterly basis. At August 31, 2022, this rate was set at 3.95%. The mortgage is repayable in monthly installments of interest, and with an annual minimum principal repayment of \$80,000. It is secured by a collateral mortgage on the property which has a net book value of \$5,700,888 (2021 - \$5,547,742). The Association is committed to repaying the mortgage principal as capital pledges are received. Repayments for future years have not yet been determined.

7. PRIOR PERIOD ADJUSTMENT

During the year it was determined that revenues for tuition assistance received in 2019 were not recorded. This was the result of an error. Accordingly, revenues, excess of revenues over expenses, cash, total assets and fund balances were understated by \$129,667 in 2019. Last year's comparative cash, total assets and fund balances were also understated by \$129,667. In addition, a fund transfer from 2019, as approved by the Board, was not recognized in fiscal 2019. The general fund was understated by \$19,548 and the tuition fund was overstated by the same amount. These financial statements show the comparative figures as they should have been reported.

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022
(Unaudited)**

8. TUITION ASSISTANCE

During the year the Association granted tuition assistance of \$129,251 (2021 - \$160,645) which has been netted against tuition fees revenue.

9. FUNDRAISING ACTIVITIES

	Revenues 2022	Expenses 2022	Net 2022	Net 2021
Golf Tournament	\$ 11,384	\$ (4,782)	\$ 6,602	\$ -
Chapter Fundraising	54,118	(33,564)	20,554	12,645
Auction	28,763	(500)	28,263	36,511
	<u>\$ 94,265</u>	<u>\$ (38,846)</u>	<u>\$ 55,419</u>	<u>\$ 49,156</u>

10. SCHOOL ACTIVITIES

	Revenues 2022	Expenses 2022	Net 2022	Net 2021
Community care grants for salaries (included in support staff expenses)	\$ 9,937	\$ (23,994)	\$ (14,057)	\$ 3,085
Student Activities	97,950	(135,582)	(37,632)	(22,448)
Class Trips	\$ 5,688	\$ (53,180)	\$ (47,492)	\$ (406)

11. COMMITMENTS

Under the terms of various agreements and contracts, the Association will be required to make future payments for services as follows:

2023	\$ 878,578
2024	3,465

12. CHRISTIAN SCHOOL FOUNDATION (CANADA) INC.

The Christian School Foundation (Canada) Inc. ("the Foundation") is a federally incorporated public charitable foundation with the following charitable objects:

- (a) To receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time, to independent Christian schools and their affiliated organizations that are also registered charities under the Income Tax Act (Canada) to advance education;
- (b) To advance education by developing curriculum materials suitable for use in Christian elementary and secondary schools; and
- (c) To advance education by providing scholarships, bursaries, and other forms of financial assistance for the professional development of educators in Christian schools.

The Foundation maintains funds for a variety of purposes, according to the wishes of its donors. As of June 30, 2022 (representing the Foundation fiscal year end), \$234,954 (2021 - \$215,742) specifically designated as benefiting the Association. Grants were paid to the school of \$27,056 (2021 - \$69,728).

**CAMBRIDGE DISTRICT ASSOCIATION FOR CHRISTIAN EDUCATION
OPERATING AS WOODLAND CHRISTIAN HIGH SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2022
(Unaudited)**

13. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant credit or interest risk arising from these financial instruments.

(a) CREDIT RISK

The Association's financial assets that are exposed to credit risk consist of tuition receivable and other accounts receivable. In the normal course of operations, the Association is exposed to credit risk from its parents and tenants.

(b) LIQUIDITY RISK

Liquidity risk arises through having excess financial obligations over available financial assets at any point in time. The Association's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Association achieves this by attempting to maintain sufficient cash and cash equivalents.

(c) INTEREST RATE RISK

The Association is exposed to significant interest rate credit risk since the interest rates on its member loans and mortgages are based on the bank's minimum lending rate. Management does not expect interest rates to vary significantly in the next year.