
**SASKATOON SOCIETY FOR
CHRISTIAN EDUCATION INC.**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of
Saskatoon Society for Christian Education Inc.

Qualified Opinion

We have audited the accompanying financial statements of Saskatoon Society for Christian Education Inc., which comprise the statement of financial position as at June 30, 2024 and the statements of revenue and expenditures, changes in fund balances and cash flows and the schedule of restricted funds revenue and expenditures for the year then ended, along with the summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatoon Society for Christian Education Inc. as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the society derives revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures for the year, assets and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Saskatoon Society for Christian Education Inc. 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 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 the financial statements, management is responsible for assessing Saskatoon Society for Christian Education Inc.'s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Saskatoon Society for Christian Education Inc. or to cease operations, or has no realistic alternative but to do so.

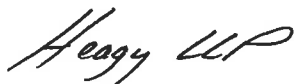
Those charged with governance are responsible for overseeing Saskatoon Society for Christian Education Inc.'s financial reporting process.

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 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 Saskatoon Society for Christian Education Inc.'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 Saskatoon Society for Christian Education Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause Saskatoon Society for Christian Education Inc. 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.



CHARTERED PROFESSIONAL ACCOUNTANTS
Saskatoon, SK
October 10, 2024

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30

	General Fund		Capital Asset Fund		Restricted Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS (notes 5 and 8)								
Cash	628,933	74,715	-	-	449,954	546,700	1,078,887	621,415
Term deposit	-	250,000	-	-	-	-	-	250,000
Accounts receivable (note 3)	15,952	10,231	-	-	-	-	15,952	10,231
Prepaid expenditures	15,477	14,331	-	-	-	-	15,477	14,331
TANGIBLE CAPITAL ASSETS								
(notes 4 and 8)	660,362	349,277	-	-	449,954	546,700	1,110,316	895,977
	-	-	4,114,351	4,228,907	-	-	4,114,351	4,228,907
TOTAL ASSETS	660,362	349,277	4,114,351	4,228,907	449,954	546,700	5,224,667	5,124,884
CURRENT LIABILITIES								
Accounts payable and accrued liabilities (note 6)	62,477	57,001	-	-	-	-	62,477	57,001
Government payroll remittances payable	93,677	96,938	-	-	-	-	93,677	96,938
Deferred revenue (note 7)	218,338	174,415	-	-	-	-	218,338	174,415
Current portion of callable debt (note 8)	-	-	58,049	67,600	-	-	58,049	67,600
Current liabilities before callable debt	374,492	328,354	58,049	67,600	-	-	432,541	395,954
Callable debt (note 8)	-	-	-	67,452	-	-	-	67,452
TOTAL LIABILITIES	374,492	328,354	58,049	135,052	-	-	432,541	463,406
FUND BALANCES	285,870	20,923	4,056,302	4,093,855	449,954	546,700	4,792,126	4,661,478
TOTAL LIABILITIES AND FUND BALANCES	660,362	349,277	4,114,351	4,228,907	449,954	546,700	5,224,667	5,124,884

SIGNED ON BEHALF OF THE BOARD

 Director

 Director

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

STATEMENT OF CHANGES IN FUND BALANCES **FOR THE YEAR ENDED**
JUNE 30

	General Fund		Capital Asset Fund		Restricted Funds		Total
	2024	2023	2024	2023	2024	2023	
	\$	\$	\$	\$	\$	\$	\$
BALANCE - BEGINNING OF YEAR	20,923	196,965	4,093,855	4,164,152	546,700	508,714	4,869,831
Excess (deficiency) of revenue over expenditures	341,950	(110,938)	(146,804)	(151,285)	(64,498)	53,870	(208,353)
Repayment of callable debt	(77,003)	(65,104)	77,003	77,299	-	(12,195)	-
Tangible capital asset purchases:							
Building fund	-	-	27,439	-	(27,439)	-	-
Fundraising fund	-	-	4,809	3,689	(4,809)	(3,689)	-
BALANCE - END OF YEAR	285,870	20,923	4,056,302	4,093,855	449,954	546,700	4,661,478
FUND BALANCES CONSIST OF:							
Invested in tangible capital assets	-	-	4,056,302	4,093,855	-	-	4,093,855
Unrestricted	285,870	20,923	-	-	-	-	20,923
Internally restricted - schedule 1	-	-	-	-	211,243	270,853	270,853
Externally restricted - schedule 1	-	-	-	-	238,711	275,847	275,847
	285,870	20,923	4,056,302	4,093,855	449,954	546,700	4,661,478

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

STATEMENT OF REVENUE AND EXPENDITURES **FOR THE YEAR ENDED**
JUNE 30

	General Fund		Capital Asset Fund		Restricted Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Ministry of Education funding	2,384,986	2,237,413	-	-	-	-	2,384,986	2,237,413
Tuition	1,089,306	973,059	-	-	-	-	1,089,306	973,059
Donations	113,632	67,565	-	-	-	49,245	113,632	116,810
Student fund	-	-	-	-	57,802	51,903	57,802	51,903
Missions	-	-	-	-	40,274	45,175	40,274	45,175
Interest	29,114	10,252	-	-	-	-	29,114	10,252
Fundraising	-	-	-	-	19,464	26,308	19,464	26,308
Other	18,989	18,266	-	-	-	-	18,989	18,266
	3,636,027	3,306,555	-	117,540	172,631	-	3,753,567	3,479,186
EXPENDITURES								
Teacher services	2,022,572	2,086,072	-	-	-	-	2,022,572	2,086,072
Salaries and benefits	889,579	932,140	-	-	-	-	889,579	932,140
Materials, services and supplies -								
Administration	151,535	159,224	-	-	-	-	151,535	159,224
Education	66,472	72,313	-	-	-	-	66,472	72,313
Depreciation	-	-	146,804	151,285	-	-	146,804	151,285
Repairs and maintenance	51,213	34,109	-	-	27,398	8,576	78,611	42,685
Utilities	76,373	76,495	-	-	-	-	76,373	76,495
Financial assistance	33,308	51,822	-	-	40,060	-	73,368	51,822
Student fund	-	-	-	-	55,574	48,966	55,574	48,966
Missions	-	-	-	-	52,199	54,444	52,199	54,444
Fundraising	-	-	-	-	6,807	6,775	6,807	6,775
Interest on callable debt	3,025	5,318	-	-	-	-	3,025	5,318
	3,294,077	3,417,493	146,804	151,285	182,038	118,761	3,622,919	3,687,539
EXCESS (DEFICIENCY) OF REVENUE								
OVER EXPENDITURES	341,950	(110,938)	(146,804)	(151,285)	(64,498)	53,870	130,648	(208,353)

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
JUNE 30

	2024	2023
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	130,648	(208,353)
Item not affecting cash -		
Depreciation	146,804	151,285
	277,452	(57,068)
Changes in non-cash working capital items -		
Accounts receivable	(5,721)	17,912
Prepaid expenditures	(1,146)	(1,044)
Accounts payable and accrued liabilities	5,476	(196,111)
Government payroll remittances payable	(3,261)	(7,583)
Deferred revenue	43,923	16,963
Cash Provided By (Used In) Operating Activities	316,723	(226,931)
FINANCING ACTIVITIES		
Repayment of callable debt	(77,003)	(77,299)
Cash Used In Financing Activities	(77,003)	(77,299)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(32,248)	(3,689)
Redemption (purchase) of term deposit	250,000	(250,000)
Cash Provided By (Used In) Investing Activities	217,752	(253,689)
INCREASE (DECREASE) IN CASH POSITION	457,472	(557,919)
CASH POSITION - BEGINNING OF YEAR	621,415	1,179,334
CASH POSITION - END OF YEAR	1,078,887	621,415

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

SCHEDULE 1 - RESTRICTED FUNDS REVENUE AND EXPENDITURES

FOR THE YEAR ENDED
JUNE 30

	2024	2023
	\$	\$
REVENUE		
Student fund	57,802	51,903
Missions fund	40,274	45,175
Fundraising fund	18,088	24,880
General restricted fund	1,376	1,428
Building fund	-	49,245
	117,540	172,631
EXPENDITURES		
Fundraising fund	73,601	5,896
Student fund	55,574	48,966
Missions fund	52,199	54,444
General restricted fund	664	879
Designated fund	-	8,576
	182,038	118,761
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(64,498)	53,870
TRANSFERS TO THE CAPITAL FUND:		
Building fund	-	(12,195)
TRANSFERS WITHIN RESTRICTED FUNDS:		
Designated fund	-	8,576
Fundraising fund	-	(8,576)
PURCHASE OF TANGIBLE CAPITAL ASSETS:		
Building fund	(27,439)	-
Fundraising fund	(4,809)	(3,689)
RESTRICTED FUNDS - BEGINNING OF YEAR	546,700	508,714
RESTRICTED FUNDS - END OF YEAR	449,954	546,700
INTERNALLY RESTRICTED FUNDS CONSIST OF:		
Teacher services reserve fund	107,907	107,907
Fundraising fund	80,313	140,635
Non-designated restricted fund	15,183	15,183
Salary reserve fund	5,000	5,000
General restricted fund	2,840	2,128
	211,243	270,853
EXTERNALLY RESTRICTED FUNDS CONSIST OF:		
Building fund	151,796	179,235
Missions fund	37,041	48,966
Student fund	34,504	32,276
Designated fund	15,370	15,370
	238,711	275,847
TOTAL RESTRICTED FUNDS	449,954	546,700

1. THE ORGANIZATION

Saskatoon Society for Christian Education Inc. is incorporated under the Non-profit Corporations Act of the Province of Saskatchewan and operates an educational institution under the name of Saskatoon Christian School. Saskatoon Society for Christian Education Inc. is a registered charitable organization and is exempt from income taxes under provisions of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial Instruments

The society initially measures its financial assets and 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 society subsequently measures all financial assets and financial 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 (deficiency) of revenue over expenditures for the year.

Financial assets measured at amortized cost include cash, the term deposit and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government payroll remittances payable and callable debt.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess (deficiency) of revenue over expenditures for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting an 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 (deficiency) of revenue over expenditures for the year.

Tangible Capital Assets and Depreciation

Tangible capital assets are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value. When management considers that a tangible capital asset no longer contributes to the society's ability to provide services, its carrying amount is written down to its residual value. As is true of all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation of tangible capital assets is calculated using the declining balance method at the following annual rates:

Land improvements	2.5%
Buildings	2.5% to 10%
Landscaping and school grounds improvements	5% to 10%
Furniture, fixtures and school equipment	10%
Playground equipment	10%
Automotive equipment	20%
Computer equipment	20%

Depreciation on assets acquired during the year is recorded at the full annual rate. There is no depreciation recorded in the year of disposal.

Fund Accounting

Saskatoon Society for Christian Education Inc. follows the restricted fund method of accounting for contributions. It accounts for its operations using the following funds:

General Fund

The general fund reflects the primary operations of the society.

Capital Asset Fund

The capital asset fund is a restricted fund that reflects the equity of the society in tangible capital assets after taking into consideration any associated debt. Expenditures consist primarily of depreciation on tangible capital assets.

Restricted Funds

Restricted funds account for contributions for various externally and internally restricted funds as created by the society.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate fund in the year received.

Unrestricted contributions are recognized as revenue of the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Specifically, Ministry of Education and other government funding is recognized as revenue based upon the terms of the funding agreement. Accordingly, amounts not received by year end are shown as grants receivable and any amounts received relating to the next fiscal year are shown as deferred revenue. Tuition is recognized as revenue upon providing services to students during the school year. Finally, missions, fundraising, student fund and donations revenue is recognized when funds are received.

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash Resources

Cash resources consist of restricted and unrestricted cash balances.

Donated Goods and Services

The society benefits from the donation of goods and services from individuals. Donations of goods for operating and fundraising purposes are recorded as donations and fundraising revenue at estimated fair market value if they would have been otherwise purchased. No accounting recognition is given to the value of services donated to the society since a fair market value cannot be reasonably estimated.

Use of Estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reported amounts of revenue and expenditures during the year. Significant items subject to estimate and assumption include the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

3. ACCOUNTS RECEIVABLE

	2024	2023
	\$	\$
Trade receivables	11,556	18,952
GST receivable	6,380	5,187
Less: allowance for doubtful accounts	(1,984)	(13,908)
	15,952	10,231

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value	
			2024	2023
	\$	\$	\$	\$
Land	309,015	-	309,015	309,015
Land improvements	94,181	31,255	62,926	64,539
Buildings	5,173,851	1,979,873	3,193,978	3,283,739
Landscaping and school grounds improvements	430,431	158,857	271,574	286,230
Furniture, fixtures and school equipment	549,891	360,026	189,865	196,536
Playground equipment	123,194	99,149	24,045	26,717
Automotive equipment	40,306	37,591	2,715	3,394
Computer equipment	165,371	105,138	60,233	58,737
	6,886,240	2,771,889	4,114,351	4,228,907

SASKATOON SOCIETY FOR CHRISTIAN EDUCATION INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024

5. LINE OF CREDIT

Saskatoon Society for Christian Education Inc. carries a line of credit with the RBC Royal Bank which is secured by a general security agreement covering all assets of the society. The line of credit bears interest at a floating rate based on bank prime plus 0.25 percent. The society's total available line of credit is \$100,000 (2023 - \$100,000). The terms of the line of credit are renegotiated from time to time.

The prime rate at June 30, 2024 was 6.95%.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade payables and accrued liabilities	31,898	38,160
Vacation pay	30,579	18,841
	<u>62,477</u>	<u>57,001</u>

7. DEFERRED REVENUE

	2024	2023
	\$	\$
Prepaid tuition fees	218,044	172,259
Other deferred revenue	294	2,156
	<u>218,338</u>	<u>174,415</u>

8. CALLABLE DEBT

	2024	2023
	\$	\$
3% RBC Royal Bank demand loan, payable in blended monthly instalments of \$5,869, due August 2025, secured by land and buildings and a general security agreement covering all assets of the society	58,049	135,052
Less: current portion	<u>58,049</u>	<u>67,600</u>
	<u>-</u>	<u>67,452</u>

9. ECONOMIC DEPENDENCE

Saskatoon Society for Christian Education Inc. receives significant funding from the Ministry of Education and continued operations are dependent upon this funding.

10. FINANCIAL RISKS

Credit Risk

Credit risk is the risk that financial instrument future cash flows will fluctuate due to changes in the financial position of entities that possess credit with the society. The society is subject to credit risk on its accounts receivable. Management has attempted to minimize this risk by monitoring accounts receivable and by having policies in place regarding the extension of credit. There has been no change in risk exposure from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The society is subject to interest rate risk on its debt obligations. The society has attempted to minimize this risk by negotiating the best possible interest rates. There has been no change in risk exposure from the prior year.

Liquidity Risk

Liquidity risk is the risk that the society will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly with respect to its accounts payable and accrued liabilities, government payroll remittances payable and callable debt. The society has attempted to minimize this risk by budgeting future cash flows, monitoring cash resources and consulting with the Ministry of Education regarding future funding agreements. There has been no change in risk exposure from the prior year.