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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the Members of The Edmonton Society for Christian Education

Opinion

The summary financial statements, which comprise the summary statement of financial position as at June 30, 2019 and the summary statement of operations for the year then ended, are derived from the audited financial statements of The Edmonton Society for Christian Education (the "Society") for the year ended June 30, 2019. We expressed a qualified audit opinion on those financial statements in our report dated November 5, 2019.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1. However, we were not able to determine if any adjustments to the summary financial statements were necessary for the reasons described in *The Audited Financial Statements and Our Report Thereon* section of this audit report.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by Canadian accounting standards for not-for-profit organizations. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed a qualified opinion on the audited financial statements in our report dated November 5, 2019. The basis for our qualified opinion was that the Society derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Edmonton, Alberta
November 6, 2019

Halpert Monsma

Chartered Accountants

The Edmonton Society for Christian Education
 Summary Financial Statements for the Year Ended June 30, 2019
 (thousands of dollars)

Summary Statement of Financial Position as at June 30

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets	\$ 2,604	\$ 945
West School building project	1,284	178
Property and equipment	11,218	12,057
	<u>\$ 15,106</u>	<u>\$ 13,180</u>
LIABILITIES AND NET ASSETS		
Current liabilities	\$ 2,231	\$ 2,694
Member loans payable, less current portion	275	92
Loan payable	650	650
Deferred capital campaign contributions	3,075	668
Deferred capital contributions related to property and equipment	2,949	3,097
Net assets	5,926	5,979
	<u>\$ 15,106</u>	<u>\$ 13,180</u>

Summary Statement of Operations for the Year Ended June 30

	<u>2019</u>	<u>2019</u>	<u>2018</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
REVENUES			
Program and transportation fees	\$ 1,781	\$ 1,823	\$ 1,707
Facilities lease	813	805	810
Memberships, donations and fundraising	155	130	183
Amortization of deferred capital contributions	146	195	134
Capital assessment	201	203	201
Capital contributions deferred	(90)	(46)	-
Capital campaign revenue	1,500	2,522	668
Capital campaign contributions deferred	(1,500)	(2,407)	(668)
Other revenue	22	36	34
Total revenue	<u>3,028</u>	<u>3,261</u>	<u>3,069</u>
EXPENSES			
Administration	486	502	419
Development and student recruitment	177	184	153
Facilities	1,252	1,316	1,206
School support	692	679	724
Transportation	215	245	294
Total expenses	<u>2,822</u>	<u>2,926</u>	<u>2,796</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>206</u>	<u>335</u>	<u>273</u>
Write-off of original West School expansion	-	(388)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 206</u>	<u>\$ (53)</u>	<u>\$ 273</u>

Basis of Presentation (Note 1)

The summary financial statements are derived from the audited financial statements, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at June 30, 2019 and June 30, 2018 and for the years then ended.

The preparation of these summary financial statements requires management to determine the information that needs to be reflected in them so that they are consistent in all material respects with, or represent a fair summary of, the audited financial statements.

Management prepared these summary financial statements using the following criteria:

- (a) the summary financial statements include only the summary statement of financial position and the summary statement of operations, and do not include the summary statement of cash flows, any other schedules, the summary of significant accounting policies or the notes to the audited financial statements;
- (b) information in the summary financial statements agrees with the related information in the audited financial statements;
- (c) major subtotals, totals and comparative information from the audited financial statements are included; and
- (d) the summary financial statements contain the information from the audited financial statements dealing with matters having a pervasive or otherwise significant effect on the summarized financial statements.

The audited financial statements of The Edmonton Society for Christian Education are available from the office, upon request.