

BURLINGTON CHRISTIAN ACADEMY

July 31, 2024

CONTENTS

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Revenue and Expenditures	3
Statement of Changes in Net Assets	4
Cash Flow Statement	5
Notes to the Financial Statements	6 - 10
Schedule of Expenditures <i>[Schedule A]</i>	11
Property and Equipment <i>[Schedule B]</i>	

STEVENSON LEHOCKI LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Page 1

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of
Burlington Christian Academy

We have reviewed the accompanying financial statements of Burlington Christian Academy that comprise the balance sheet as at **July 31, 2024** and the statements of revenue and expenditures, changes in net assets and cash flow 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.

Conclusion

Based on our review, 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 Burlington Christian Academy as at **July 31, 2024** 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.

Burlington, Ontario
November 20, 2024

Stevenson Lehocki LLP
Chartered Professional Accountants
Licensed Public Accountants

BURLINGTON CHRISTIAN ACADEMY

Page 2

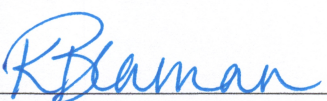
BALANCE SHEET

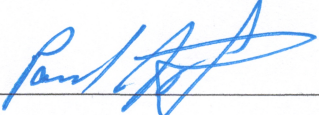
As at July 31

Unaudited

	2024	2023
ASSETS		
Current assets		
Bank - operating	\$ 405,097	\$ 396,802
Accounts receivable [Note 3]	128,531	157,143
Prepaid expense	38,728	28,915
	572,356	582,860
Property and equipment [Schedule B]	2,479,777	2,481,925
Other asset [Note 4]	0	25
	\$ 3,052,133	\$ 3,064,810
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 61,481	\$ 13,959
Government remittances payable	328	347
Prepaid tuition and registration [Note 1(e)]	775,376	601,965
Current portion of long-term debt [Note 5]	85,000	465,000
	922,185	1,081,271
Long-term debt [Note 5]	1,615,000	1,522,019
	2,537,185	2,603,290
NET ASSETS [Page 4]		
Invested in Capital assets	779,777	494,906
Unrestricted	(264,829)	(33,386)
	514,948	461,520
	\$ 3,052,133	\$ 3,064,810

On behalf of the Board:

Director: 

Director: 

BURLINGTON CHRISTIAN ACADEMY

Page 3

STATEMENT OF REVENUE AND EXPENDITURES

Year ended July 31		Unaudited	
		2024	2023
REVENUE			
Tuition and registration		\$ 1,814,319	\$ 1,777,177
Donations		29,522	8,607
Programs / Other	<i>[Note 6]</i>	645,067	544,508
		2,488,908	2,330,292
EXPENDITURES			
Staff costs	<i>[Schedule A]</i>	1,702,255	1,590,963
Building	<i>[Schedule A]</i>	433,395	370,750
Administration	<i>[Schedule A]</i>	85,338	68,778
Education	<i>[Schedule A]</i>	96,505	104,404
Programs / Other	<i>[Note 6]</i>	117,987	81,587
		2,435,480	2,216,482
Excess of revenue over expenditures		\$ 53,428	\$ 113,810

BURLINGTON CHRISTIAN ACADEMY

Page 4

STATEMENT OF CHANGES IN NET ASSETS

Year ended **July 31**

Unaudited

	Invested in Capital assets	Unrestricted	Equipment Fund	2024	2023
Net assets, beginning	\$ 494,906	\$ (33,386)	\$ 0	\$ 461,520	\$ 347,710
Excess (deficiency) of revenues over expenditures	(65,495)*	118,923	0	53,428	113,810
Change in investment in capital assets [Note 1. (d)]	350,366	(350,366)	0	0	0
Net assets, ending	\$ 779,777	\$ (264,829)	\$ 0	\$ 514,948	\$ 461,520

* Consists of
Amortization \$ (65,495)

BURLINGTON CHRISTIAN ACADEMY

Page 5

CASH FLOW STATEMENT

Year ended July 31	Unaudited	
	2024	2023
CASH FROM (TO) OPERATIONS		
Current tuitions and registrations	\$ 1,240,966	\$ 1,063,549
Next year's tuitions and registrations	775,376	601,965
Donations	29,522	8,607
Fundraising - net	7,838	6,802
Programs and miscellaneous - net	446,957	413,054
Gym rental	95,178	93,251
General supplies and services	(111,443)	(223,635)
Wages and benefits	(1,700,700)	(1,587,234)
Interest paid	(139,995)	(111,075)
Building premises	(256,405)	(207,390)
Memberships and professional development	(28,658)	(30,820)
	358,636	27,074
CASH FROM (TO) INVESTING ACTIVITIES		
(Additions) to property and equipment	(63,347)	(26,037)
Decrease (increase) in other assets	25	0
CASH FROM (TO) FINANCING ACTIVITIES		
(Decrease) in long-term and callable debt	(687,019)	(1,335,275)
Increase in long-term debt	400,000	1,300,000
	(287,019)	(35,275)
Changes in cash and equivalents during the year	8,295	(34,238)
Cash and equivalents, beginning	396,802	431,040
Cash and equivalents, ending	\$ 405,097	\$ 396,802
Represented by:		
Bank - operating	\$ 405,097	\$ 396,802

BURLINGTON CHRISTIAN ACADEMY
NOTES TO THE FINANCIAL STATEMENTS

Page 6

July 31, 2024

Unaudited

NATURE OF ORGANIZATION

Burlington Christian Academy is a registered charitable organization carrying on the activities of a Christian elementary school.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for Not-For-Profit Organizations and include the following significant accounting policies:

(a) Financial Instruments

Measurement of financial instruments

The Academy initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Academy subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include bank indebtedness, accounts payable and accrued liabilities, loans payable, and long-term and callable debt.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the 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 net income.

Transaction costs

The Academy recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(b) Financial Instrument Impairments

During the year, the Academy recognized impairments of \$723 (2023 - \$208) presented as bad debts on the statement of administration expenditures. Accounts receivable at year end are presented on the balance sheet net of the allowance for doubtful accounts of \$NIL (2023 - \$NIL).

(c) Cash and Cash Equivalents

The Academy's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

Unaudited

(d) Property and Equipment

Property and equipment are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows: (1/2 regular rates in year of acquisition).

Building	3 %
Furniture, equipment and signage	20 %
Computer hardware	30 %
Paving	8 %

Property and equipment balances are presented in Schedule B.

Investment in capital assets consist of the following:	2024	2023
Property and equipment	\$ 2,479,777	\$ 2,481,925
Less amounts financed:		
Current portion of long-term debt	(85,000)	(465,000)
Long-term debt	(1,615,000)	(1,522,019)
Fund balance, end of year	\$ 779,777	\$ 494,906

The change in investment in capital assets is as follows:	2024	2023
Purchase of capital assets	\$ 63,347	\$ 26,037
Decrease (increase) in long-term debt	287,019	(1,224,601)
Decrease in callable debt	0	1,259,877
	\$ 350,366	\$ 61,313

(e) Prepaid Tuition and Registration

Registration fees and prepaid tuition fees for the coming year are set up as deferred revenue on the balance sheet.

(f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, accompanying notes and the reported amounts of revenue and expenses during the period. Such estimates include the useful lives of property and equipment, allowances for inventory obsolescence and allowances for doubtful accounts. Actual results could differ from these estimates.

(g) Revenue Recognition

Tuition and registration fees are recognized in the year they pertain to. The Academy uses the deferral method of accounting for restricted contributions. The Academy received a restricted contribution during the prior fiscal year. The Academy maintains internally restricted funds as disclosed in the statement of changes in net assets.

Donations and fund raising are recognized in the year they are received. Government grants and subsidies are recognized in the year they are earned.

(h) Gifts in Kind

The school occasionally receives gifts in kind. Gifts in kind are measured at fair value, considering the quality and quantity of the gift and on appraisal where possible. Gifts in kind are receipted annually.

BURLINGTON CHRISTIAN ACADEMY
NOTES TO THE FINANCIAL STATEMENTS

Page 8

July 31, 2024

Unaudited

2. FINANCIAL INSTRUMENTS RISK EXPOSURE

The Academy is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Academy's risk exposure at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that the academy will encounter difficulty in meeting obligations associated with financial liabilities. The academy is exposed to this risk mainly in respect of its accounts payable, accrued liabilities, callable debt and private loans.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Academy's main credit risks relate to its accounts receivable. The Academy provides credit to its clients in the normal course of its operations.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk; currency risk, interest risk and other price risk. The Academy is mainly exposed to interest rate risk.

Interest Rate Risk

A portion of the Academy's long-term debt has a variable interest rate. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The Academy does not use derivative financial instruments to alter the effects of this risk.

There has been no significant change to the risk exposure from the prior year for any of the above risks.

3. ACCOUNTS RECEIVABLE	2024	2023
Accounts receivable	\$ 81,628	\$ 82,790
Other receivable	1,750	0
Government remittance receivable - GST/HST	45,153	74,353
	\$ 128,531	\$ 157,143

4. OTHER ASSET	2024	2023
1 Share in Meridian Credit Union	\$ 0	\$ 25

The Meridian Credit Union operating line of credit of \$400,000 expired with the repayment of the mortgage in 2023.

BURLINGTON CHRISTIAN ACADEMY

Page 9

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

Unaudited

5. LONG-TERM DEBT

2024

2023

Mortgage - CRC Extension Fund Inc.

\$ 1,700,000

\$ 1,300,000

Fully open first mortgage with a minimal annual payment of \$85,000 due by December 31 each year, renewing automatically every five years for 20 years, ending March 31, 2043. Variable interest rate of 5.95% set quarterly. Interest to be paid monthly. Secured by property at 521 North Service Rd W Burlington (net book value \$2,393,052).

Loan - 1372377 Ontario Inc.

0

287,019

Annual loan interest at 5% is accrued quarterly and drawn down by annual tuition payments. Principal was repaid in the current year.

Loan - M & B Bergsma

0

400,000

4% Annual interest, payable annually on November 15. No set terms of principal repayment. The loan is subject to a promissory note agreement and is unsecured. BCA has the right to repay in full without notice. Principal was repaid in the current year.

1,700,000

1,987,019

Less: current portion

85,000

465,000

\$ 1,615,000

\$ 1,522,019

Principal repayments for each of the next five years are as follows:

2025

\$ 85,000

2026

85,000

2027

85,000

2028

85,000

2029

85,000

BURLINGTON CHRISTIAN ACADEMY

Page 10

NOTES TO THE FINANCIAL STATEMENTS

July 31, 2024

Unaudited

6. PROGRAMS / OTHER	2024	2023
Revenue		
ALPA program	\$ 27,300	\$ 27,262
After school program	30,809	22,002
Ed Venture program	4,950	4,200
Fundraising <i>[see below]</i>	68,507	6,802
Facility rental and catering	95,178	93,251
Special education and other	266,701	265,323
SOTA program	87,693	68,176
Student activities	63,929	57,492
	645,067	544,508
Expenditures		
ALPA program	24,857	20,595
After school program	518	404
Bus charter expenses	4,661	5,594
Ed Venture program	4,389	4,808
Fundraising <i>[see below]</i>	60,669	0
Student activities	22,893	50,186
	117,987	81,587
	\$ 527,080	\$ 462,921

The Academy did not receive PTA fundraising details for fiscal 2023, as a result, the fundraising revenue was presented as a net revenue amount.

7. CONTINGENCIES AND COMMITMENTS

Under an operating lease for the rental of a copier telephone system and VISA machine, the Academy is committed to payments in the following years as indicated:

2025	\$ 4,342
2026	3,374
2027	429

8. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

BURLINGTON CHRISTIAN ACADEMY

Page 11

SCHEDULE OF EXPENDITURESYear ended **July 31****Unaudited****Schedule A**

	2024	2023
STAFF COSTS		
Salaries and benefits	\$ 1,619,263	\$ 1,502,133
Superannuation	81,437	85,101
Professional development	1,555	3,729
	\$ 1,702,255	\$ 1,590,963
BUILDING		
Amortization - building	\$ 46,890	\$ 47,415
Cleaning contract	86,685	78,514
Insurance	31,248	25,282
Mortgage and loan interest	118,522	100,813
Professional fees	11,578	15,132
Repairs to building and yard upkeep <i>[below]</i>	95,527	62,663
Utilities	42,945	40,931
	\$ 433,395	\$ 370,750
ADMINISTRATION		
Advertising and promotion	\$ 7,757	\$ 4,379
Amortization - equipment	18,605	18,685
Bad debts	723	208
Bank charges and interest	21,474	10,264
Office and IT expense	16,832	14,641
Equipment rentals	4,434	5,299
Telephone and internet	15,513	15,302
	\$ 85,338	\$ 68,778
EDUCATION		
Memberships and associations	\$ 27,103	\$ 27,091
Supplies and texts	69,402	77,313
	\$ 96,505	\$ 104,404

During the year, the academy resurfaced the gymnasium floors at a cost of \$25,400, which was included in the expense "Repairs to building and yard upkeep".

PROPERTY AND EQUIPMENT

Year ended **July 31****Unaudited****Schedule B****PROPERTY AND EQUIPMENT**

	Asset Cost Aug. 1/23	Additions	Disposals	Asset Cost Jul. 31/24
Land	\$ 861,200	0	0	\$ 861,200
Building	2,808,688	31,512	0	2,840,200
Furniture, equipment and signage	485,146	29,372	0	514,518
Computer hardware	170,341	2,463	0	172,804
	\$ 4,325,375	63,347	0	\$ 4,388,722

ACCUMULATED AMORTIZATION

	% Rate	Accumulated Amortization Aug. 1/23	Adjustments	2024 Amortization	Accumulated Amortization Jul. 31/24
Building	3	\$ 1,261,458	0	46,890	\$ 1,308,348
Furniture, equipment and signage	20	417,644	0	16,438	434,082
Computer hardware	30	164,348	0	2,167	166,515
		\$ 1,843,450	0	65,495	\$ 1,908,945

Net Book Value

\$ 2,481,925

\$ 2,479,777