



Meadowridge School Society
June 30, 2022



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Meadowridge School Society
Financial Statements
June 30, 2022

Meadowridge School Society Contents

For the year ended June 30, 2022

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Management's Responsibility

To the Members of Meadowridge School Society:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Governors is composed entirely of members who are neither management nor employees of the Society. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Society's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

"Scott Banack" Signed
CEO, Headmaster

"Julie Bournival" Signed
Director of Finance

To the Members of Meadowridge School Society:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Meadowridge School Society (the "Society"), which comprise the statement of financial position as at June 30, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 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.

Basis for Qualified Opinion

In common with many charitable organizations, Meadowridge School Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Meadowridge School Society and we were not able to determine whether as at or for the year ended June 30, 2022, any adjustments might be necessary to donation revenues and excess of revenue over expenses, assets and net assets. Our audit opinion on the financial statements for the year ended June 30, 2021 was also qualified accordingly because of the possible effects of this limitation in scope.

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 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 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 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 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Maple Ridge, British Columbia

September 28, 2022

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten-style font, followed by 'LLP' in a smaller, similar font.

Chartered Professional Accountants

Meadowridge School Society

Statement of Financial Position

As at June 30, 2022

	Education	Capital	2022	2021
Assets				
Current				
Cash	12,509,936	4,613,374	17,123,310	10,810,125
Term deposits and GIC's (Note 3)	-	3,512,943	3,512,943	5,323,591
Tuition fees receivable (Note 4)	70,916	-	70,916	44,619
Government remittances receivable	105,610	-	105,610	83,960
Other accounts receivable	74,151	-	74,151	28,149
Inventory	337,783	-	337,783	321,704
Prepaid expenses	293,806	-	293,806	529,806
Investments (Note 5)	-	5,764,715	5,764,715	5,105,367
	13,392,202	13,891,032	27,283,234	22,247,321
Capital assets (Note 6)	-	27,186,295	27,186,295	27,594,408
Loan receivable (Note 7)	394,000	-	394,000	400,000
Long-term deposits	4,576	-	4,576	16,968
	13,790,778	41,077,327	54,868,105	50,258,697
Liabilities				
Current				
Bank indebtedness (Note 8)	-	-	-	11,013
Accounts payable and accruals	648,236	71,524	719,760	1,005,105
Unearned tuition revenue (Note 9)	11,925,295	-	11,925,295	10,522,724
Government remittances payable	4,139	-	4,139	1,748
Current portion of term loans due on demand (Note 10)	-	588,897	588,897	565,240
	12,577,670	660,421	13,238,091	12,105,830
Term loans due on demand (Note 10)	-	13,869,223	13,869,223	14,452,537
Educational Investment Fund deposits (Note 11)	-	6,485,000	6,485,000	5,442,000
	12,577,670	21,014,644	33,592,314	32,000,367
Deferred contributions (Note 12)	-	1,087,198	1,087,198	651,595
	12,577,670	22,101,842	34,679,512	32,651,962
Contingencies (Note 13)				
Net Assets	1,213,108	18,975,485	20,188,593	17,606,735
	13,790,778	41,077,327	54,868,105	50,258,697

Approved on behalf of the Board

"Lance Leger" Signed
Board Chair

"Tina Lee" Signed
Treasurer

The accompanying notes are an integral part of these financial statements

Meadowridge School Society
Statement of Operations
For the year ended June 30, 2022

	<i>Education</i>	<i>Capital</i>	<i>2022</i>	<i>2021</i>
Revenues				
Tuition fees (Note 14)	16,063,612	-	16,063,612	14,812,339
Government grants (Note 15)	2,183,540	-	2,183,540	2,145,737
Field-trip revenue	232,734	-	232,734	68,761
Program revenue	424,890	-	424,890	336,666
Registration and assessments	409,800	-	409,800	385,000
	19,314,576	-	19,314,576	17,748,503
Expenses				
Instructional (Schedule 1)	9,437,460	-	9,437,460	8,758,720
Administration (Schedule 1)	3,709,795	-	3,709,795	3,537,742
Operating (Schedule 1)	1,667,353	1,935,223	3,602,576	3,498,757
	14,814,608	1,935,223	16,749,831	15,795,219
Excess of revenues over expenses from operations	4,499,968	(1,935,223)	2,564,745	1,953,284
Other revenues (expenses)				
Amortization of deferred contributions	-	155,670	155,670	80,400
Loss on disposal of capital assets	-	(184)	(184)	(43,850)
Investment income, net	-	256,521	256,521	137,151
Gain on sale of investments	-	53,690	53,690	32,110
Unrealized gain (loss) on investments	-	(679,092)	(679,092)	445,019
Auxiliary services	(89,646)	-	(89,646)	(241,612)
Donations (Note 16)	24,594	224,686	249,280	201,199
Golf tournament fundraiser (Note 17)	-	29,890	29,890	-
Rentals	40,984	-	40,984	65,300
	(24,068)	41,181	17,113	675,717
Excess of revenues over expenses	4,475,900	(1,894,042)	2,581,858	2,629,001

The accompanying notes are an integral part of these financial statements

Meadowridge School Society
Statement of Changes in Net Assets

For the year ended June 30, 2022

	<i>Education</i>	<i>Capital</i>	2022	<i>2021</i>
Net assets, beginning of year	392,585	17,214,150	17,606,735	14,977,734
Excess of revenues over expenses	4,475,900	(1,894,042)	2,581,858	2,629,001
Interfund transfers	(3,655,377)	3,655,377	-	-
Net assets, end of year	1,213,108	18,975,485	20,188,593	17,606,735

The accompanying notes are an integral part of these financial statements

Meadowridge School Society
Statement of Cash Flows
For the year ended June 30, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenues over expenses	2,581,858	2,629,001
Amortization	1,323,544	1,376,386
Amortization of deferred capital contributions recognized in revenue	(155,670)	(80,400)
Loss on disposal of capital assets	184	43,850
Gain on sale of investments	(53,690)	(32,110)
Unrealized loss (gain) on investments	679,092	(445,019)
	4,375,318	3,491,708
Changes in working capital accounts		
Tuition fees receivable	(26,297)	217,306
Government remittances receivable	(21,650)	53,980
Other accounts receivable	(46,002)	2,000
Inventory	(16,079)	(32,375)
Prepaid expenses	236,000	(341,995)
Accounts payable and accruals	(285,344)	(183,861)
Government remittances payable	2,391	(5,054)
Unearned tuition revenue	1,402,571	4,461,455
	5,620,908	7,663,164
Financing activities		
Advances of bank indebtedness	-	11,013
Repayments of bank indebtedness	(11,013)	-
Repayment of term loans due on demand	(559,658)	(490,794)
Deferred contributions received	591,273	272,662
Educational Investment Fund deposits received	1,890,000	1,028,852
Educational Investment Fund deposits reimbursed	(847,000)	(746,000)
Reimbursement of long-term deposits	12,392	-
Payments of long-term deposits	-	(2,599)
Advance of loan receivable	-	(400,000)
Payments of loan receivable	6,000	-
	1,081,994	(326,866)
Investing activities		
Purchase of term deposits and GIC's	(3,506,871)	(5,000,000)
Proceeds on disposal of term deposits and GIC's	5,300,000	2,024,772
Purchase of capital assets	(920,436)	(387,003)
Proceeds on disposal of capital assets	4,821	27,365
Net purchase of investments	(1,267,231)	(1,017,875)
	(389,717)	(4,352,741)
Increase in cash resources	6,313,185	2,983,557
Cash resources, beginning of year	10,810,125	7,826,568
Cash resources, end of year	17,123,310	10,810,125

The accompanying notes are an integral part of these financial statements

1. Purpose of the Organization

Meadowridge School Society (the "Society") is a provincial society operating a school that is non-denominational, co-educational and available to all members of the community. Meadowridge School Society is incorporated under the Society Act (British Columbia) as a not-for-profit organization, is a registered charity under the Canadian Income Tax Act (the "Act") and, as such, is exempt from income taxes. In order to maintain its status as a registered not-for-profit organization under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Impacts of COVID-19

Subsequent to year-end, the global outbreak of COVID-19 (coronavirus) continued, which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Society maintains cleaning protocols, has eased back into organizing field trips, and continues to monitor for any changes in government guidelines. Overall, the Society's operations were not materially impacted by COVID-19. In management's opinion, enrolment will be consistent with the previous year.

At this time, it is unknown the extent of the full impact the COVID-19 outbreak may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Society follows the deferral method of accounting for contributions and reports using fund accounting, and maintains the following funds:

- Education - The Education fund accounts for the Society's curriculum program delivery and administrative activities related to student education.
- Capital - The Capital fund reports the assets, liabilities, revenues and expenses related to the Society's capital and investment assets.

Revenue recognition

The Society uses the deferral method of accounting for contributions and reports on a fund accounting basis.

- Revenue from tuition fees is recognized as earned over the school year. Tuition fees received in advance for the subsequent school year are recorded as unearned tuition revenue in the current year.
- Revenue from government grants is recognized over a ten-month period commencing September 1st of each school year. The grant is for operating expenses of the school and is equal to 35% of the local public school district per student operating costs. Only full time equivalent Canadian and Permanent Resident students from grades kindergarten to grade 12 are eligible for government funding. Kindergarten to grade 12 full time equivalent students having a parent with a valid Canadian Work Permit are also eligible for funding.
- Field trip, program, and registration and assessment revenue is recognized when the service is rendered.
- Contributions restricted for the purchase of capital assets are amortized into revenue at a rate corresponding with the amortization rate for the related capital asset.
- Investment income is recognized as revenue when earned.

2. Significant accounting policies *(Continued from previous page)*

- Rental income is recognized, pursuant to rental agreements, when occupancy occurs.

Revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

The cost of inventories recognized as an expense and included in other revenues (expenses) - auxiliary services amounted to \$189,627 (2021 - \$163,521).

Investments

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Investment fees included in other revenues (expenses) - investment income amounted to \$46,100 (2021 - \$59,834).

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the following methods at rates/terms intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate/Term
Buildings	declining balance	4 %
Computer equipment	straight-line	3 years
Equipment and furniture	straight-line	5 years
Fencing and lights	straight-line	25 years
Irrigation system	straight-line	25 years
Landscaping	straight-line	40 years
Playground structure	declining balance	4 %
Portables	declining balance	10 %
Vehicles	declining balance	30 %

Measurement uncertainty (use of estimates)

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Tuition fees receivable and other accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with the CPA Canada Handbook Section 3840 Related Party Transactions.

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost or cost.

Financial asset impairment

The Society assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value. Fair value is determined by published price quotations.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Contributed services

Volunteers contribute an unknown number of hours per year to assist the Society in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Meadowridge School Society
Notes to the Financial Statements
For the year ended June 30, 2022

3. Term deposits and GIC's

	2022	2021
Cashable GIC maturing October 2021, interest at 2.52%, redeemable without penalty.	-	305,302
Cashable GIC maturing July 2021, interest at 0.75%, redeemable without penalty.	-	5,018,289
Cashable GIC maturing July 2023, interest at 0.80%, redeemable without penalty.	3,512,943	-
	3,512,943	5,323,591

4. Tuition fees receivable

	2022	2021
Tuition fees receivable	152,009	114,955
Allowance for doubtful accounts	(81,093)	(70,336)
	70,916	44,619

5. Investments

	2022	2021
BMO Harris Private Investment account		
Fixed income bonds - cost \$2,285,499	2,057,841	1,636,457
Equity stocks - cost \$2,682,043	2,930,608	2,873,367
Other investments - cost \$849,399	776,266	595,543
	5,764,715	5,105,367

Fixed income bonds with various interest rates ranging from 1.62% to 5.78% and various maturity dates.

Included in investments are Endowed Funds amounting to \$117,190 which are being held and invested to fund various scholarships and awards.

Meadowridge School Society
Notes to the Financial Statements
For the year ended June 30, 2022

6. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	3,396,831	-	3,396,831	3,396,831
Buildings	31,459,814	10,851,742	20,608,072	20,704,058
Computer equipment	839,273	776,809	62,464	56,505
Equipment and furniture	3,068,486	2,430,548	637,938	795,979
Fencing and lights	482,347	204,874	277,473	290,970
Irrigation system	268,924	144,065	124,859	135,616
Landscaping	1,822,539	559,655	1,262,884	1,307,762
Playground structure	425,039	178,052	246,987	257,278
Portables	992,086	469,361	522,725	583,606
Vehicles	199,996	153,934	46,062	65,803
	42,955,335	15,769,040	27,186,295	27,594,408

Buildings contains \$803,048 (2021 - \$73,825) of assets currently under development. No amortization of these assets has been recorded during the year.

7. Loan receivable

Loan receivable consists of funds advanced to an employee of the Society. The loan is non-interest bearing, secured by an underlying property and repayable in minimum monthly installments of \$500 which commenced in July 2021. The loan is set to mature in June 2026.

8. Bank indebtedness

Bank indebtedness includes a Bank of Montreal demand revolving loan in the amount of \$nil (2021 - \$11,013), bearing interest at Bank of Montreal prime lending rate plus 0.25% per annum. Assets pledged as collateral and financial covenants are described in Note 10. Maximum amount approved \$3,500,000.

9. Unearned tuition revenue

Tuition fees received in advance for the subsequent school year are recorded as unearned tuition revenue in the current year. Tuition fees received in advance are \$11,925,295 (2021 - \$10,522,724). Prior year unearned tuition revenue is recognized as earned over the current school year.

Meadowridge School Society
Notes to the Financial Statements
For the year ended June 30, 2022

10. Term loans due on demand

	2022	2021
Bank of Montreal - Facility 2 - Non-revolving demand loan bearing interest at 4.50% per annum amortized over 20 years; repayable in monthly blended payments of \$74,589. The loan is due for renewal April 1, 2024.	10,565,033	10,968,658
Bank of Montreal - Fixed rate term loan bearing interest at 3.07% per annum, repayable in monthly blended payments of \$23,181. The loan is due for renewal October 1, 2025.	3,893,087	4,049,119
Current portion	(588,897)	(565,240)
	13,869,223	14,452,537

Canadian accounting standards for not-for-profit organizations require that loans that the lender can require to be repaid on demand be classified as current liabilities.

Management does not believe that the demand features of the demand loans will be exercised in the current period. Therefore, assuming payment of the demand loans is not demanded, and assuming term loans subject to refinancing are renewed under similar terms, regular principal payments required on all demand loans for the next five years are due as follows:

2023	588,897
2024	613,569
2025	639,300
2026	666,136
2026	694,127
	3,202,029

Term loans due on demand are subject to certain financial covenants with respect to debt service coverage and leverage ratios. As at June 30, 2022, the Society is in compliance with all such covenants. It is management's opinion that the Society is likely to remain in compliance with all long-term debt covenants throughout the next 12 months.

Term loans due on demand are secured by a first charge over the Society's land and buildings in the amount of \$25,000,000, a general security agreement over all the assets of the Society, subrogation agreement with respect to Educational Investment Fund deposits, and assignment of insurance coverage.

11. Educational Investment Fund deposits

The deposits represent the sum of Education Investment Fund deposits from families with children currently enrolled in Meadowridge School. These deposits are non-interest bearing loans that are repaid to a family within 30-days upon receiving written notice from a parent confirming that the family no longer has any children enrolled in Meadowridge School.

The total amount of deposits will fluctuate from year-to-year as new families enroll at the school, families leave or families have their youngest child graduate. The fluctuation in the number of families does not necessarily correlate with the fluctuation in the actual student enrolment as some families have one child compared to others with two or more children. During the year there were new deposits of \$1,890,000 (2021 - \$1,028,852), deposits were repaid in the amount of \$847,000 (2021 - \$746,000) of which \$61,100 was donated back to the school (2021 - \$78,000).

Meadowridge School Society
Notes to the Financial Statements
For the year ended June 30, 2022

12. Deferred contributions

Deferred contributions related to capital assets represents the funded portion of capital assets that will be recognized as revenue in future periods and matched against the applicable amortization charged in that period. The changes in the deferred contributions balance for the year are as follows:

	2022	<i>2021</i>
	<i>Capital fund</i>	<i>Capital fund</i>
Balance, beginning of the year	651,595	459,333
Contributions received	591,273	272,662
Amount recognized as revenue	(155,670)	(80,400)
	1,087,198	651,595

13. Contingencies

The Society is currently involved in a human rights tribunal case. At this time the likelihood and potential liability cannot be reasonably determined. In management's opinion, the Society's insurance coverage will be sufficient to cover any potential liability, therefore no amounts have been accrued in the financial statements.

14. Tuition fees

The Society reports tuition fees on a net basis as follows:

	2022	<i>2021</i>
Gross tuition fees	16,865,053	15,981,623
Less: Discounts, bursaries and scholarships	(801,441)	(1,169,284)
	16,063,612	14,812,339

15. Government grants

The Society operates under the terms of the Independent School Act and is entitled to receive annual government grants. The majority of grant revenue consists of an operating grant equal to 35% of the local school district's per-student grant amount for each eligible student enrolled.

Grant revenue can only be used to pay for operating expenses and may not exceed the operating costs of the School.

Meadowridge School Society
Notes to the Financial Statements
For the year ended June 30, 2022

16. Donations

During the year, the Society received donations to be used by the School. Donations have been reported net of expenditures for school programs and activities:

	2022	2021
Education Fund:		
Donation revenue	30,794	21,204
Expenditures: Student awards	(6,200)	(5,200)
Net Education Fund Donations	24,594	16,004
Capital Fund:		
Donation revenue	365,812	320,080
Expenditures: Educational, outreach and other	(141,126)	(134,885)
Net Capital Fund Donations	224,686	185,195
	249,280	201,199

17. Golf Tournament Fundraiser

	2022	2021
Capital fund:		
Gross revenue	103,388	-
Expenditures	(73,498)	-
	29,890	-

The School did not hold a Golf Tournament Fundraiser in 2020-2021 due to the global outbreak of COVID-19.

18. Society remunerations

In accordance with British Columbia's Societies Act, the Society is required to disclose any remuneration paid to directors as well as remuneration paid to employees or contractors in excess of \$75,000.

For the year ended June 30, 2022, the top ten remunerated employees and contractors earning more than \$75,000 annually were paid \$2,250,240.

19. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

19. Financial instruments *(Continued from previous page)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize interest rate risk, the Society manages exposure through its normal operating and financing activities.

The Society is potentially exposed to interest rate risk primarily relating to its term loans due on demand, as described in Note 10.

During the year, the Society's exposure to interest rate risk has decreased due to a decrease in interest bearing obligations in comparison to the prior year.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society enters into transactions to buy and sell marketable securities, for which the market price fluctuates. The fair value of marketable securities at June 30, 2022 is \$5,764,715 (2021 - \$5,105,367).

During the year, the Society's exposure to other price risk increased due to an increase in marketable securities in comparison to the prior year.

Meadowridge School Society

Schedule 1 - Schedule of Meadowridge School Society Expenses

For the year ended June 30, 2022

	2022	2021
Expenses		
Instructional		
Casual wages	95,063	12,136
Contract services	61,738	42,204
Field-trip expenses	209,706	49,898
Program expenses	540,699	444,185
Teachers' salaries and benefits	8,467,397	8,146,734
Teachers' training and development	62,857	63,563
	9,437,460	8,758,720
Administration		
Bad debt	10,756	12,031
Bank charges	171,787	219,654
Board of Governors	45,850	38,762
Consulting fees	15,362	25,783
Dues and subscriptions	107,919	103,822
Entertainment and staff room	36,675	20,412
Marketing and advancement	205,689	148,023
Office	97,737	78,802
Professional fees	66,473	62,629
Technological support	361,823	335,729
Telephone	38,168	33,694
Training and education	32,935	20,358
Travel	829	-
Wages and benefits	2,517,792	2,438,043
	3,709,795	3,537,742
Operating		
Amortization	1,323,544	1,376,386
Insurance	159,082	139,949
Interest on term loans due on demand	611,679	637,760
Janitorial	48,418	58,103
Repairs and maintenance	1,236,284	1,092,257
Utilities	223,569	194,302
	3,602,576	3,498,757
	16,749,831	15,795,219