



## Meadowridge School Society

June 30, 2024

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**Meadowridge School Society**  
**Financial Statements**  
*June 30, 2024*

**Meadowridge School Society**  
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*For the year ended June 30, 2024*

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## Management's Responsibility

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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 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.

October 11, 2024

"Scott Banack" Signed  
CEO, Head of School

"Julie Bournival" Signed  
CFO, Business Manager

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# Independent Auditor's Report

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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 "Organization"), which comprise the statement of financial position as at June 30, 2024, 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 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 Organization as at June 30, 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.

### 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, 2024, 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, 2024 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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

October 11, 2024

Chartered Professional Accountants

# Meadowridge School Society

## Statement of Financial Position

*As at June 30, 2024*

	Education	Capital	2024	2023
<b>Assets</b>				
<b>Current</b>				
Cash	9,217,771	289,629	9,507,400	16,921,661
Term deposits and GIC's (Note 3)	5,280,430	11,620,469	16,900,899	7,283,659
Tuition fees receivable (Note 4)	83,466	-	83,466	131,258
Government remittances receivable	136,563	-	136,563	153,444
Other accounts receivable	63,539	-	63,539	29,864
Inventory	365,066	-	365,066	341,210
Prepaid expenses	394,837	-	394,837	434,073
Investments (Note 5)	-	5,615,685	5,615,685	6,614,770
	<b>15,541,672</b>	<b>17,525,783</b>	<b>33,067,455</b>	<b>31,909,939</b>
<b>Capital assets (Note 6)</b>	-	<b>29,669,068</b>	<b>29,669,068</b>	<b>27,152,385</b>
<b>Loan receivable (Note 7)</b>	<b>382,000</b>	-	<b>382,000</b>	<b>388,000</b>
<b>Long-term deposits</b>	<b>72,293</b>	-	<b>72,293</b>	<b>55,606</b>
	<b>15,995,965</b>	<b>47,194,851</b>	<b>63,190,816</b>	<b>59,505,930</b>
<b>Liabilities</b>				
<b>Current</b>				
Accounts payable and accruals	1,192,001	255,211	1,447,212	926,597
Unearned tuition revenue (Note 9)	12,866,462	-	12,866,462	12,123,240
Government remittances payable	3,678	-	3,678	6,327
Current portion of term loans due on demand (Note 10)	-	589,051	589,051	613,569
	<b>14,062,141</b>	<b>844,262</b>	<b>14,906,403</b>	<b>13,669,733</b>
Term loans due on demand (Note 10)	-	12,688,253	12,688,253	13,261,250
Educational Investment Fund deposits (Note 11)	-	6,323,167	6,323,167	7,356,167
Borrowing deposits	15,750	-	15,750	-
	<b>14,077,891</b>	<b>19,855,682</b>	<b>33,933,573</b>	<b>34,287,150</b>
<b>Deferred contributions (Note 12)</b>	-	<b>1,667,882</b>	<b>1,667,882</b>	<b>1,636,535</b>
	<b>14,077,891</b>	<b>21,523,564</b>	<b>35,601,455</b>	<b>35,923,685</b>
<b>Contingencies (Note 13)</b>				
<b>Net Assets</b>	<b>1,918,074</b>	<b>25,671,287</b>	<b>27,589,361</b>	<b>23,582,245</b>
	<b>15,995,965</b>	<b>47,194,851</b>	<b>63,190,816</b>	<b>59,505,930</b>

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, 2024*

	<i>Education</i>	<i>Capital</i>	<b>2024</b>	<b>2023</b>
<b>Revenues</b>				
Tuition fees <i>(Note 14)</i>	17,638,115	-	17,638,115	16,749,677
Government grants <i>(Note 15)</i>	2,467,750	-	2,467,750	2,293,996
Field-trip revenue	696,978	-	696,978	670,831
Program revenue	517,707	-	517,707	512,874
Enrollment, registration and assessments	522,000	-	522,000	390,800
	<b>21,842,550</b>	<b>-</b>	<b>21,842,550</b>	<b>20,618,178</b>
<b>Expenses</b>				
<b>Instructional</b> <i>(Schedule 1)</i>	11,587,449	-	11,587,449	10,575,142
<b>Administration</b> <i>(Schedule 1)</i>	4,412,347	-	4,412,347	3,948,269
<b>Operating</b> <i>(Schedule 1)</i>	2,078,178	1,876,680	3,954,858	3,792,211
	<b>18,077,974</b>	<b>1,876,680</b>	<b>19,954,654</b>	<b>18,315,622</b>
<b>Excess of revenues over expenses from operations</b>	<b>3,764,576</b>	<b>(1,876,680)</b>	<b>1,887,896</b>	<b>2,302,556</b>
<b>Other revenues (expenses)</b>				
Amortization of deferred contributions	-	78,997	78,997	90,112
Loss on disposal of capital assets	-	(42,549)	(42,549)	(2,254)
Investment income, net	280,430	863,111	1,143,541	642,005
Gain (loss) on sale of investments	-	268,351	268,351	(2,287)
Unrealized gain on investments	-	399,725	399,725	335,506
Auxiliary services	(92,475)	-	(92,475)	(129,958)
Donations <i>(Note 16)</i>	1,825	264,969	266,794	61,404
Gala fundraiser <i>(Note 17)</i>	-	(1,574)	(1,574)	27,854
Golf tournament fundraiser <i>(Note 18)</i>	-	32,086	32,086	32,090
Rentals	66,324	-	66,324	36,624
	<b>256,104</b>	<b>1,863,116</b>	<b>2,119,220</b>	<b>1,091,096</b>
<b>Excess of revenues over expenses</b>	<b>4,020,680</b>	<b>(13,564)</b>	<b>4,007,116</b>	<b>3,393,652</b>

*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, 2024*

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	<i>Education</i>	<i>Capital</i>	<b>2024</b>	<i>2023</i>
<b>Net assets, beginning of year</b>	<b>1,709,960</b>	<b>21,872,285</b>	<b>23,582,245</b>	20,188,593
<b>Excess of revenues over expenses</b>	<b>4,020,680</b>	<b>(13,564)</b>	<b>4,007,116</b>	3,393,652
<b>Interfund transfers</b>	<b>(3,812,566)</b>	<b>3,812,566</b>	-	-

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<b>Net assets, end of year</b>	<b>1,918,074</b>	<b>25,671,287</b>	<b>27,589,361</b>	23,582,245
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*The accompanying notes are an integral part of these financial statements*

# Meadowridge School Society

## Statement of Cash Flows

For the year ended June 30, 2024

	2024	2023
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	4,007,116	3,393,652
Amortization	1,273,576	1,262,581
Amortization of deferred capital contributions recognized in revenue	(78,997)	(90,112)
Loss on disposal of capital assets	42,549	2,254
Loss (gain) on sale of investments	(268,351)	2,287
Unrealized gain on investments	(399,725)	(335,507)
	<b>4,576,168</b>	<b>4,235,155</b>
Changes in working capital accounts		
Tuition fees receivable	47,792	(60,342)
Government remittances receivable	16,881	(47,834)
Other accounts receivable	(33,675)	44,287
Inventory	(23,856)	(3,427)
Prepaid expenses	39,236	(140,267)
Accounts payable and accruals	520,615	206,837
Unearned tuition revenue	743,222	197,945
Government remittances payable	(2,649)	2,188
	<b>5,883,734</b>	<b>4,434,542</b>
<b>Financing activities</b>		
Repayment of term loans due on demand	(597,515)	(613,473)
Deferred contributions received	110,344	639,449
Educational Investment Fund deposits received	466,875	1,779,167
Educational Investment Fund deposits reimbursed	(1,499,875)	(908,000)
Payments of long-term deposits	(16,687)	(51,030)
Payments of loan receivable	6,000	6,000
	<b>(1,530,858)</b>	<b>852,113</b>
<b>Investing activities</b>		
Purchase of term deposits and GIC's	(16,900,899)	(13,283,659)
Proceeds on disposal of term deposits and GIC's	7,283,659	9,512,943
Purchase of capital assets	(3,850,540)	(1,231,245)
Proceeds on disposal of capital assets	17,732	321
Net (purchase) sale of investments	1,682,911	(486,664)
	<b>(11,767,137)</b>	<b>(5,488,304)</b>
<b>Decrease in cash resources</b>	<b>(7,414,261)</b>	<b>(201,649)</b>
<b>Cash resources, beginning of year</b>	<b>16,921,661</b>	<b>17,123,310</b>
<b>Cash resources, end of year</b>	<b>9,507,400</b>	<b>16,921,661</b>

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.

## 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, enrollment 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.
- 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 \$165,131 (2023 - \$179,884).

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

***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 \$90,849 (2023 - \$50,903).

***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.

	<b>Method</b>	<b>Rate/Term</b>
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.

***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.

***Financial instruments***

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

***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.

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

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

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or value of its equity and those instruments designated at fair value, 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 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.

**Financial asset impairment**

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Organization 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Organization reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization 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 excess of revenues over expenses in the year the reversal occurs.

**3. Term deposits and GIC's**

	<b>2024</b>	<b>2023</b>
Cashable GIC cashed July 2023, interest at 4.12%, redeemed without penalty.	-	7,283,659
Cashable GIC maturing July 2024, interest at 5.75%, redeemable without penalty.	<b>11,620,469</b>	-
Cashable GIC maturing July 2024, interest at 5.75%, redeemable without penalty.	<b>5,280,430</b>	-
	<b>16,900,899</b>	7,283,659

**Meadowridge School Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2024*

**4. Tuition fees receivable**

	2024	2023
Tuition fees receivable	185,140	206,022
Allowance for doubtful accounts	(101,674)	(74,764)
	83,466	131,258

**5. Investments**

	2024	2023
<b>BMO Wealth Management Investment account</b>		
Fixed income bonds - cost \$1,944,513	1,861,414	2,338,902
Equity stocks - cost \$2,420,381	3,058,389	3,408,462
Other investments - cost \$694,976	695,882	867,406
	5,615,685	6,614,770

Fixed income bonds with various interest rates ranging from 3.68% to 5.75% and various maturity dates.

Included in investments are Endowed Funds amounting to \$259,231 (2023 - \$203,532) which are being held and invested to fund various scholarships and awards.

**6. Capital assets**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	6,053,273	-	6,053,273	3,396,831
Buildings	33,051,592	12,338,913	20,712,679	20,820,166
Computer equipment	843,159	772,218	70,941	52,821
Equipment and furniture	3,320,606	2,960,022	360,584	521,395
Fencing and lights	485,839	227,992	257,847	265,759
Irrigation system	268,924	165,579	103,345	114,102
Landscaping	1,822,539	649,411	1,173,128	1,218,006
Playground structure	666,366	197,100	469,266	236,134
Portables	1,017,848	572,414	445,434	494,927
Vehicles	199,996	177,425	22,571	32,244
	47,730,142	18,061,074	29,669,068	27,152,385

Buildings contains \$1,514,200 (2023 - \$1,807,875) 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.

**Meadowridge School Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2024*

**8. Bank indebtedness**

Bank indebtedness includes a Bank of Montreal demand revolving loan in the amount of \$nil (2023 - \$nil), 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 \$12,866,462 (2023 - \$12,123,240). Prior year unearned tuition revenue is recognized as earned over the current school year.

**10. Term loans due on demand**

	<b>2024</b>	<b>2023</b>
Bank of Montreal - Facility 2 - Non-revolving demand loan bearing interest at 6.03% per annum amortized over 15 years; repayable in monthly blended payments of \$82,682. The loan is due for renewal March 15, 2029.	<b>9,710,226</b>	10,142,621
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.	<b>3,567,078</b>	3,732,198
Current portion	<b>(589,051)</b>	(613,569)
	<b>12,688,253</b>	13,261,250

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:

2025	589,051
2026	620,290
2027	653,301
2028	688,189
2029	725,065
	<b>3,275,896</b>

Term loans due on demand are subject to certain financial covenants with respect to debt service coverage and leverage ratios. As at June 30, 2024, the Society is in compliance with all such covenants.

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.

# Meadowridge School Society

## Notes to the Financial Statements

*For the year ended June 30, 2024*

### 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 fluctuates 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 \$466,875 (2023 - \$1,779,167), deposits were repaid in the amount of \$1,499,875 (2023 - \$908,000) of which \$137,090 was donated back to the school (2023 - \$79,200).

During the year, the Society transitioned from collecting the Education Investment Fund deposit per family to charging a one-time, non-refundable enrollment fee per student. Families who have already paid the Education Investment Fund deposit will retain this until all of their children have graduated or are no longer enrolled at the school.

### 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:

	<b>2024</b>	<b>2023</b>
	<i>Capital fund</i>	<i>Capital fund</i>
Balance, beginning of the year	<b>1,636,535</b>	1,087,198
Contributions received	<b>110,344</b>	639,449
Amount recognized as revenue	<b>(78,997)</b>	(90,112)
	<b>1,667,882</b>	1,636,535

### 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:

	<b>2024</b>	<b>2023</b>
Gross tuition fees	<b>18,820,410</b>	17,622,404
Less: Discounts, bursaries and scholarships	<b>(1,182,295)</b>	(872,727)
	<b>17,638,115</b>	16,749,677



**Meadowridge School Society**  
**Notes to the Financial Statements**  
*For the year ended June 30, 2024*

**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.

**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:

	2024	2023
<b>Education Fund:</b>		
Donation revenue	7,525	29,372
Expenditures: Student awards	(5,700)	(5,200)
Net Education Fund Donations	1,825	24,172
<b>Capital Fund:</b>		
Donation revenue	331,465	124,261
Expenditures: Educational, outreach and other	(66,496)	(87,029)
Net Capital Fund Donations	264,969	37,232
	266,794	61,404

**17. Gala Fundraiser**

	2024	2023
<b>Capital Fund:</b>		
Gross revenue	-	137,147
Expenditures	(1,574)	(109,293)
Net Capital Fund Donations	(1,574)	27,854

The School did not hold a Gala Fundraiser in 2023-2024.

**18. Golf Tournament Fundraiser**

	2024	2023
<b>Capital fund:</b>		
Gross revenue	111,571	114,305
Expenditures	(79,485)	(82,215)
Net Capital Fund Donations	32,086	32,090

**19. 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, 2024, the top ten remunerated employees and contractors earning more than \$75,000 annually were paid \$2,373,984.

**20. Financial instruments**

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

***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 Organization enters into transactions to buy and sell marketable securities, for which the market price fluctuates. The fair value of marketable securities at June 30, 2024 is \$5,615,685 (2023 - \$6,614,770).

During the year, the Society's exposure to other price risk decreased due to a decrease 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, 2024*

	<b>2024</b>	<b>2023</b>
<b>Expenses</b>		
<b>Instructional</b>		
Casual wages	139,610	116,784
Contract services	105,181	145,419
Field-trip expenses	486,160	472,731
Program expenses	656,193	631,469
Teachers' salaries and benefits	10,061,049	9,042,414
Teachers' training and development	139,256	166,325
	<b>11,587,449</b>	<b>10,575,142</b>
<b>Administration</b>		
Bad debt (recovery)	26,911	(6,329)
Bank charges	197,395	193,997
Board of Governors	56,395	41,466
Consulting fees	56,683	44,210
Dues and subscriptions	118,785	110,764
Entertainment and staff room	99,889	80,205
Marketing and advancement	158,422	163,671
Office	117,304	114,065
Professional fees	165,877	96,958
Technological support	458,409	386,492
Telephone	42,262	40,945
Training and education	81,129	46,271
Travel	1,864	1,073
Wages and benefits	2,831,022	2,634,481
	<b>4,412,347</b>	<b>3,948,269</b>
<b>Operating</b>		
Amortization	1,273,576	1,262,581
Insurance	216,496	184,682
Interest on term loans due on demand	603,104	591,084
Janitorial	87,699	57,271
Repairs and maintenance	1,563,850	1,478,191
Utilities	210,133	218,402
	<b>3,954,858</b>	<b>3,792,211</b>
	<b>19,954,654</b>	<b>18,315,622</b>