

05364.000



ATTACHMENT E: Application from Nanaimo Christian School (1988) Society

CITY OF NANAIMO APPLICATION FOR PERMISSIVE TAX EXEMPTION

Office Use

ORGANIZATION: Nanaimo Christian School (1988) Society	DATE: 5/31/2022
ADDRESS: 198 Holland Road, Nanaimo, BC V9R 6W2	PRESIDENT:
2308 Jingle Pot Road	SENIOR STAFF MEMBER: James Sijpbeer
	POSITION: Head Principal
	CONTACT:
TELEPHONE: (250) 754-4512	TELEPHONE: (250) 754-4512
GEOGRAPHIC AREA SERVED BY THE ORGANIZATION: Nanaimo and surrounding town	
NO. OF FULL TIME STAFF: 55	NO. OF PART TIME STAFF: 32
NO. OF COMMUNITY VOLUNTEERS: about 300 volunteers from the family	NO. OF VOLUNTEER HOURS PER YEAR: 6,000 hours (# of families x 20 volunteer hours)
CLIENTS SERVED, LAST YEAR: 557	CLIENTS SERVED, THIS YEAR (PROJECTED): 676
B.C. SOCIETY ACT REG. NO.: S-24116	REVENUE CANADA CHARITABLE REG. NO.: 107758898
CURRENT BUDGET: \$7,761,832	Lot 14, Section LEGAL DESCRIPTION OF PROPERTY: 12, Range 6, Mountain District, Plan 1509
INCOME: \$7,785,183	
EXPENSES: \$7,661,832	05364.000 TAX FOLIO NUMBER:
NEXT YEAR PROJECTED: \$8,227,663	
INCOME: \$8,360,311	\$5,076.73 CURRENT YEAR TAXES (IF KNOWN):
EXPENSES: \$7,606,163	
SIGNATURE: 	TITLE/POSITION: Head Principal
	DATE: June 21/22
NOTE: YOUR ORGANIZATION'S MOST RECENT YEAR-END FINANCIAL STATEMENTS AND CURRENT YEAR-TO-DATE FINANCIAL STATEMENTS MUST BE ATTACHED TO THE APPLICATION FORM (INCLUDING A BALANCE SHEET AND INCOME STATEMENT).	

CITY OF NANAIMO GRANT QUESTIONNAIRE

1. Please describe the Purpose or Mandate of your organization in this community.

In community, NCS pursues Christ-centered educational excellence that equips students to live Biblically, act responsibly, work cooperatively, communicate effectively and achieve success in who God has called them to be.

2. Please list the programs and services provided by your organization.

K-12 and 60 students in preschool

3. Are you planning to change or add to current programs and services in the future?

No except for the desire to cater more students in the future, thus the purchase of this land.

4. Please describe the role of volunteers in your organization.

The student's family volunteers to the school in a number of ways. From helping in the classroom to maintenance work and support during different kind of school activities. This is very limited during the last 2 years due to the Covid19 pandemic.

5. Please list all grants received from the City of Nanaimo, Regional District of Nanaimo, and other governments or service clubs.

City of Nanaimo - Permissive tax exemption on our main property, Provincial and Federal education funding and Special Ed funding.

CITY OF NANAIMO GRANT QUESTIONNAIRE

6. Please provide details of fees for service in your organization, and how costs and fees are determined.

For this school year, tuition fees are computed based on a minimal increase from previous year's amount. For next school year, due to the high inflation rate, tuition fees are computed based on the budgetted expenses less the amounts that are expected to be received from government and other grants. A base amount for each family and minimal fees for any additional children.

7. If your organization is a branch of a larger organization, please indicate how this affects the financial and other information you have provided.

Our organization is not a branch of a larger organization so this question do not apply.

8. If you lease or rent out part of your premises: please note the amount of space rented (sq ft), total square feet of the premises, name of organization renting the space, and the annual rent received.

Our gym, foyer, change rooms, kitchen, classrooms are rented by the different user groups on an occasional basis but regularly every Sundays and Thursdays by the Oceanside Christian Ministries. Oceanside's rent from October 2018 to Sept 2021 is \$45,000 (\$15,000 per year) and \$200,000 for rent from October 2021 to September 2031(\$20,000 per year). These amounts have been prepaid to support the construction of the gym. Total sqft being rented is approximately 19910sqft.

9. Please describe current or planned approaches to self generated income.

The organization is just getting enough income to cover the cost of its operation. Fundraising activities are being done to cover other special needs. The one biggest need at the moment is to have more space to accommodate more students. This hopefully will usher the organization towards self sustainability. At the moment however, it still needs the support of the City thus the request for permissive tax exemption.

CITY OF NANAIMO GRANT QUESTIONNAIRE

10. Is there any other information about your organization that you would like to provide to support your application?

NCS teaches the curriculum provided by the BC Ministry of Education but in a different way. The ~~approach to education is caring, flexible, and innovative, allowing children to reach their unique~~ potential so they can live their calling and impact their community. We have seen the result of this efforts from the alumni of the school and the number of families wanting to send their kids to our school. Also, inspite of the financial needs of the organizaiton, we have always budgetted for Tuition assistance which is about 2.3% of our total operating expense. This is so that everyone is given the opportunity to enter our school.

11. In what ways would you recognize the City's support, should you receive a Permissive Tax Exemption?

The permissive tax exemption will be recorded in our financial records as an income under grants and expense as a property tax, thus recognizing that an exemption was obtained from the City. For this year, we will only be requiring exemption for \$3,426.56 since the former owner paid part of it.

"Freedom of Information and Protection of Privacy Act (FOIPPA) Information collected on this form is done so under the general authority of the Community Charter and FOIPPA, and is protected in accordance with FOIPPA. Personal information will only be used by authorized staff to fulfill the purpose for which it was originally collected, or for a use consistent with that purpose."



2021 BC SOCIETY ANNUAL REPORT

NAME OF SOCIETY: **NANAIMO CHRISTIAN SCHOOL (1988) SOCIETY**
Incorporation Number: S0024116
Business Number: 10775 8898 BC0001
Filed Date and Time: January 11, 2022 12:05 PM Pacific Time
Annual General Meeting (AGM) Date: November 22, 2021

REGISTERED OFFICE ADDRESS INFORMATION

Delivery Address:

#211 - 17660 65A AVENUE
SURREY BC V3S 5N4

Mailing Address:

#211 - 17660 65A AVENUE
SURREY BC V3S 5N4

DIRECTOR INFORMATION AS OF November 22, 2021

Last Name, First Name Middle Name:

BELLSMITH, JEREMY

Delivery Address:

1805 PEYTON PL
NANAIMO BC V9S 2R3

Last Name, First Name Middle Name:

EDMUNDS, D'ARRYN

Delivery Address:

1200 DUFFERIN CRES
NANAIMO BC V9S 2B7

Last Name, First Name Middle Name:

GREER, NICK

Delivery Address:

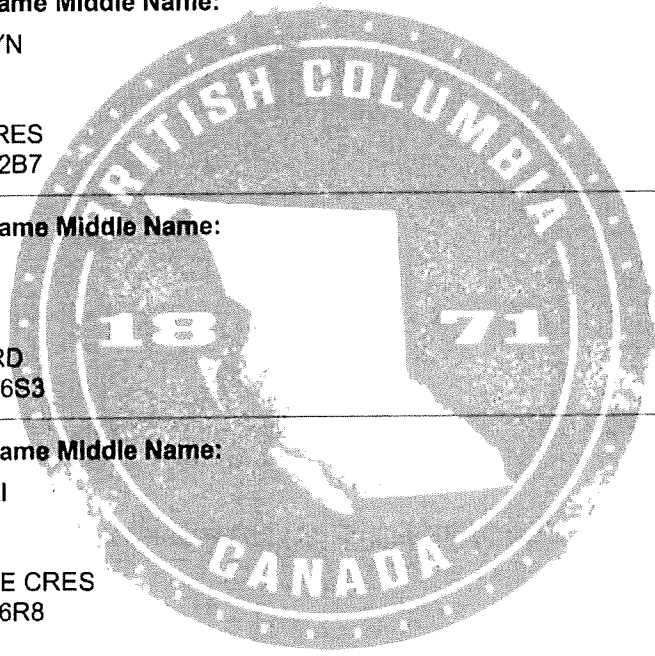
204 WESTWOOD RD
NANAIMO BC V9R 6S3

Last Name, First Name Middle Name:

JOHNSTON, SHERI

Delivery Address:

3241 WILLOWMERE CRES
NANAIMO BC V9T 6R8



Last Name, First Name Middle Name:

KEMPNER, GINNY

Delivery Address:

347 HARWELL RD
NANAIMO BC V9R 6V2

Last Name, First Name Middle Name:

KOVACS, TYLER

Delivery Address:

3136 GALLOWAY GULCH
NANAIMO BC V9R 7B8

Last Name, First Name Middle Name:

KURYTNIK, KAREN

Delivery Address:

3510 CASTLE ROCK DR
NANAIMO BC V9T 0A4

Last Name, First Name Middle Name:

TONSI, JENNIFER

Delivery Address:

323 DORCHESTER PL
NANAIMO BC V9R 1M5

CERTIFICATION

I, Megan Bradford, certify that I have relevant knowledge of the society, and that I am authorized to make this filing.





Financial Statements

Nanaimo Christian School (1988) Society

July 31, 2021

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Independent Practitioner's Review Engagement Report

Grant Thornton LLP
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235 Bastion St.
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V9R 3A3

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To the Members of
Nanaimo Christian School (1988) Society

We have reviewed the accompanying financial statements of Nanaimo Christian School (1988) Society that comprise the statement of financial position as at July 31, 2021, and the statements of operations, changes in net assets, and cash flows 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.

Independent Practitioner's Review Engagement Report (continued)

Basis for qualified conclusion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purposes of our review. Accordingly, our verification of donations was limited to the amounts recorded in the records of the Society, and we were not able to determine whether any adjustments might be necessary to donation revenues, deficiency of revenues over expenses and cash flows for the periods ended July 31, 2021 and current assets and fund balances as at July 31, 2021.

Qualified conclusion

Based on our review, except for the effects of the matter described in the Basis for qualified conclusion paragraph, 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 Nanaimo Christian School (1988) Society as at July 31, 2021, 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.

Other matter

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles applied by the Society in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

Nanaimo, Canada
October 20, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script.

Chartered Professional Accountants

Nanaimo Christian School (1988) Society

Statement of Operations

Year ended July 31	2021	2020
Revenues		
Tuition	\$ 2,771,065	\$ 2,786,866
Grants	3,492,053	3,489,385
Donations, bus rider fees and miscellaneous	128,079	152,415
Deferred contributions related to capital assets	17,639	15,970
	<u>6,408,836</u>	<u>6,444,636</u>
Expenses		
Accounting and legal	42,694	31,050
Amortization	404,936	417,268
Bad debts (recovered)	(58,131)	20,387
Bursary administration	250	5,495
Bus	124,536	82,659
Computer support	135,827	53,686
Dues and subscriptions	62,789	62,737
Educational program and resources	87,264	50,473
Fundraising	4,802	2,751
Insurance	53,935	50,539
Interest and bank charges	6,040	19,228
Interest on debt	275,973	305,638
International student costs	7,784	59,308
Janitorial supplies	221,404	190,176
Library	5,293	4,242
Marketing	25,500	30,999
Office and postage	50,802	24,398
Professional development	28,180	43,928
Rent	7,606	12,509
Repairs and maintenance	99,153	123,174
Security system	2,225	2,469
Special education costs (grant funded)	15,143	17,201
Student activities	23,337	67,937
Utilities	90,825	81,989
Wages and benefits	4,040,344	4,367,265
	<u>5,758,511</u>	<u>6,127,506</u>
Excess of revenues over expenses	<u>\$ 650,325</u>	<u>\$ 317,130</u>

Nanaimo Christian School (1988) Society

Statement of Changes in Net Assets

Year ended July 31

	Unrestricted fund	Invested in tangible capital assets	Total 2021	Total 2020
Balance, beginning of year	\$ 568,021	\$ 417,337	\$ 985,358	\$ 668,228
Excess (deficiency) of revenues over expenses	1,037,622	(387,297)	650,325	317,130
Net investment in tangible capital assets	(155,927)	155,927	-	-
Deferred capital contributions	143,971	(143,971)	-	-
Repayment of bank loans	(302,576)	302,576	-	-
Balance, end of year	<u>\$ 1,291,111</u>	<u>\$ 344,572</u>	<u>\$ 1,635,683</u>	<u>\$ 985,358</u>

Nanaimo Christian School (1988) Society

Statement of Financial Position

July 31

2021

2020

Assets

Current

Cash	\$ 1,029,426	\$ 361,525
Accounts receivable (Note 4)	699,455	464,396
Prepaid expenses and deposits	120,251	98,263
Cash - restricted (Note 3)	89,941	106,346
Goods and services tax receivable	59,965	172,388
	<u>1,999,038</u>	<u>1,202,918</u>

Long-term

Tangible Capital Assets (Note 5)	<u>7,690,831</u>	<u>7,939,842</u>
	<u>\$ 9,689,869</u>	<u>\$ 9,142,760</u>

Liabilities

Current

Accounts payable and accrued liabilities	\$ 45,749	\$ 26,688
Employee deductions payable	80,730	37,508
Worksafe BC	586	963
Unearned revenue (Note 6)	292,516	263,393
Funds held for student activities	89,941	106,346
	<u>509,522</u>	<u>434,898</u>
Short term debt (Note 7)	<u>6,836,645</u>	<u>7,139,221</u>

7,346,167 7,574,119

Deferred contribution (Note 8)

200,000 200,000

Deferred contributions related to tangible capital assets (Note 9) 508,019 383,283

8,054,186 8,157,402

Fund balances

Unrestricted fund 1,291,111 568,021

Invested in tangible capital assets 344,572 417,337

1,635,683 985,358

\$ 9,689,869 \$ 9,142,760

On behalf of the board

_____ Member

_____ Member

Nanaimo Christian School (1988) Society

Statement of Cash Flows

Year ended July 31

2021

2020

Increase (decrease) in cash

Operating

Excess of revenues over expenses	\$ 650,325	\$ 317,130
Items not affecting cash		
Amortization	404,936	417,268
Amortization of deferred contributions related to tangible capital assets	(17,639)	(15,970)
	<u>1,037,622</u>	<u>718,428</u>
Change in non-cash working capital items		
Accounts receivable	(235,059)	(247,520)
Prepaid expenses and deposits	(21,988)	(31,400)
Goods and services tax	112,423	(6,732)
Accounts payable and accrued liabilities	19,064	(36,103)
Employee deductions payable	43,222	(26,562)
Worksafe BC	(377)	(1,638)
Unearned revenue	29,123	(110,686)
	<u>984,030</u>	<u>257,787</u>

Financing

Funds held for student activities	(16,405)	12,094
Repayment of short term and callable debt	(302,576)	(249,223)
Receipt of deferred capital contributions	142,375	74,148
	<u>(176,606)</u>	<u>(162,981)</u>

Investing

Cash - restricted	16,405	(12,094)
Purchase of tangible capital assets	(155,928)	(157,370)
	<u>(139,523)</u>	<u>(169,464)</u>

Increase (decrease) in cash

667,901 (74,658)

Cash

Beginning of year	<u>361,525</u>	<u>436,183</u>
End of year	<u>\$ 1,029,426</u>	<u>\$ 361,525</u>

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

1. Nature of operations

Nanaimo Christian School (1988) Society is a registered British Columbia not-for-profit Society providing Christian education from pre-school through grade twelve. The Society is a registered charity under the Income Tax Act and therefore exempt from income taxes.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). As a result these financial statements are in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. The Society's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and short-term debt.

The Society uses derivative instruments to manage its exposure to interest rate risk. The Society has not elected to apply hedge accounting and measures its derivative instruments at fair value.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Capital assets contributed and externally restricted contributions for the purchase of capital assets are deferred and amortized over the life of the related capital asset. Unamortized deferred capital contributions relating to capital asset dispositions are recognized as revenue in the period of disposition, provided that all restrictions have been complied with.

Government grants are accounted for as unrestricted contributions or externally restricted contributions in accordance with the terms of the funding. Government grants for the next year's school operations are recorded as unearned revenue until the commencement of the school year.

Tuition revenue is recognized at the commencement of the school year. Tuition fees for the next year's school tuition are recorded as unearned revenue until the commencement of the school year.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

2. Significant accounting policies (continued)

Tangible capital assets

Tangible capital assets are recorded at cost. Expenditures for additions and expenditures which substantially increase the useful life of existing assets are capitalized.

Amortization is calculated on the estimated economic life of the asset on a declining balance method, with a half-year's provision in the year of acquisition, at the following annual rates:

Buildings	4%
Equipment	20%
Vehicles	30%
Paving	8%
Computer equipment	30%
Fences	20%
Modular classroom	10%

Property, plant and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Cash and cash equivalents

Cash includes cash on hand and balances with banks.

Government assistance

Government assistance received to cover current period expenses are accounted for as reduction of wages and benefit expense.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant areas requiring the use of management estimates relate to the determination of the valuation of receivables, the useful lives of assets for amortization, and the amounts recorded as accrued liabilities.

3. Cash - restricted

	2021	2020
Cash restricted for student activities	\$ 89,941	\$ 106,346

The Society collects funds for various activities. This balance represents funds that have either not been designated to pay for specific school expenditures or have been collected and not yet disbursed for third party activities such as extra curricular events or external fundraising. These funds represent a liability to the Society.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

4. Accounts receivable	2021	2020
Accounts receivable	\$ 722,982	\$ 546,054
Less: Allowance for doubtful accounts	<u>23,527</u>	<u>81,658</u>
	<u>\$ 699,455</u>	<u>\$ 464,396</u>

5. Tangible Capital Assets		2021	2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 108,301	\$ -	\$ 108,301	\$ 108,301
Buildings	9,630,977	2,567,390	7,063,587	7,347,739
Equipment	922,882	543,066	379,816	349,524
Vehicles	59,268	54,745	4,523	6,380
Paving	27,848	15,979	11,869	11,735
Computer equipment	363,811	281,278	82,533	82,386
Fences	13,370	10,735	2,635	2,073
Modular classroom	415,529	377,962	37,567	31,704
	\$ 11,541,986	\$ 3,851,155	\$ 7,690,831	\$ 7,939,842

6. Unearned revenue

Unearned revenue includes tuition and tuition deposits for the subsequent year.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

7. Short term debt

	<u>2021</u>	<u>2020</u>
Non-revolving term loan (Facility #2) bearing interest at the Royal Bank prime lending rate plus 0.75% per annum, repayable in monthly payments of \$15,350 including interest. The loan matures on October 16, 2021.	\$ 1,845,645	\$ 1,965,221
Non-revolving term loan facility (Facility #3) by the way of Bankers' Acceptances (BA) in the amount of \$5,350,000 which has an acceptance fee of 1.75% per annum. Annually, the Society renegotiates the terms of the previous Facility #3 and enters into a forward starting amortizing interest rate swap agreement to minimize their exposure to interest rate fluctuations. The interest rate swap agreement has the effect of converting the variable interest rate under the term loan to a fixed rate of 2.40%. This facility is repayable by consecutive quarterly principal payments, based on an original amortization period of 20 years, the balance of this facility matures July 31, 2039.	<u>4,991,000</u>	<u>5,174,000</u>
	<u>\$ 6,836,645</u>	<u>\$ 7,139,221</u>

In addition to agreements under Facility #2 and #3 above, the Society has a revolving demand facility (Facility #1) in the amount of \$400,000 which bears interest at the Royal Bank prime lending rate plus 0.75%. As of July 31, 2021, the Society has not drawn from Facility #1.

Under the bank facility agreement, the Society has a \$25,000 Corporate Visa, interest rate and repayment as per the Cardholder Agreement.

Security for all borrowings include the following:

- General security agreement - floating charge on land, constituting a first floating charge on all present and after-acquired real property of the Society and a first ranking securing interest in all personal property of the Society.
- Collateral mortgage in the amount of \$10,000,000 constituting a first fixed charge of the lands and improvements at 198 Holland Road, Nanaimo, BC.
- Certificate of insurance evidencing fire and other perils coverage on the Property at 198 Holland Road, showing the RBC Bank as first mortgagee.

Under the terms of the bank financing, the Society is required to maintain a debt service coverage of not less than 1.10:1.0. At July 31, 2021, the Society has met this covenant.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

8. Deferred contribution

Deferred contributions related to a \$200,000 donation from the Oceanside Church, in return the Church will rent the gymnasium for ten years. The deferred contribution is recognized into revenue over the period October 1, 2021 until September 30, 2031.

9. Deferred contributions related to tangible capital assets

Deferred contributions related to tangible capital assets represent the unamortized portion of donations and grants received for capital expenditures. The deferred contributions are recognized into revenue at the same rate as the asset which the contribution relates. Changes in the deferred contributions are as follows:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 383,283	\$ 325,107
Received during the year	142,375	74,146
Revenue recognized during the year	<u>(17,639)</u>	<u>(15,970)</u>
	<u>\$ 508,019</u>	<u>\$ 383,283</u>

10. Financial instruments

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of July 31, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from customers. In order to reduce its credit risk, the Society reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of customers which minimizes concentration of credit risk.

The credit risk regarding cash is considered to be negligible because it is held by a reputable financial institution with an investment grade external credit rating.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, short-term debt, and accounts payable.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

10. Financial instruments (continued)

(c) 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. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate short-term debt and credit facilities.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant other price risks arising from these financial instruments

11. Fundraising activities

Fundraising activities included in donations, bus rider fees and miscellaneous revenue are \$99 (July 31, 2020 - \$18,040)

12. Remuneration

As required by the Societies Act of British Columbia, the Society paid \$1,797,787 (July 2020 - \$1,102,415) in remuneration to twenty people (July 2020 - twelve) who are employees, whose remuneration, during the year ended July 31, 2021, was at least \$75,000.

13. Impact of COVID-19

COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Society has responded to the pandemic through applying for government wage subsidies and reducing discretionary spending. Management has taken measures over the current fiscal year to adapt the operations of the school to changes due to COVID-19 and are closely monitoring the evolving situation. Although the pandemic has the potential to negatively impact the school's revenues in the short term, management does not currently consider the risk to be significant.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Society for future periods.

Nanaimo Christian School (1988) Society

Notes to the Financial Statements

July 31, 2021

14. Government assistance

To assist companies in keeping their people employed during the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy ("CEWS") program. The CEWS program was released in April 2020 and offered a wage subsidy of 75% of eligible wages (up to a maximum per pay period) if the entity experienced a decrease of 30% or more in qualifying revenue compared to the prior reference period. In July 2020, the CEWS program was extended and revised such that an entity could claim a subsidy commensurate with its decline in qualifying revenue, rather than having to exceed a set 30% threshold to be eligible for a claim.

During the year ended July 31, 2021, the Society recognized wage subsidies received under the CEWS program totaling \$480,917 (2020 - nil). These subsidies were recognized in the statement of operations for the year ended July 31, 2021 as a reduction of wages and benefits expense.

Nanaimo Christian School (1988) Society**Statement of Financial Position**

As of May 31, 2022

(with comparative amounts as of July 31, 2021)

	2022	2021
Assets		
Current		
Cash	943,240	1,029,426
Accounts receivable	866,110	699,455
Prepaid expenses and deposits	51,683	120,251
Cash - restricted	88,368	89,941
Goods and services tax receivable	14,486	59,965
	<u>1,963,888</u>	<u>1,999,038</u>
Long-term		
Tangible Capital Assets	<u>8,584,776</u>	<u>7,690,831</u>
	<u>10,548,663</u>	<u>9,689,869</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	88,714	45,749
Employee deductions payable		80,730
Worksafe BC	(2,765)	586
Unearned revenue	561,668	292,516
Funds held for student activities	88,368	89,941
	<u>735,985</u>	<u>509,522</u>
Short term debt	<u>7,585,497</u>	<u>6,836,645</u>
	8,321,482	7,346,167
Deferred contribution	186,667	200,000
Deferred contributions related to tangible capital assets	575,244	508,019
	<u>9,083,392</u>	<u>8,054,186</u>
Fund balances		
Unrestricted fund	966,431	1,291,111
Invested in tangible capital assets	498,839	344,572
	<u>1,465,271</u>	<u>1,635,683</u>
	<u>10,548,663</u>	<u>9,689,869</u>

Nanaimo Christian School (1988) Society
Statement of Changes in Net Assets
For the period ended May 31, 2022
(with comparative amounts for July 31, 2021)

	Unrestricted Fund	Invested in tangible capital assets	Total 2022	Total 2021
Balance, beginning of year	1,291,111	344,572	1,635,683	985,358
Excess (deficiency) of revenues over expenses	138,953	(309,366)	(170,412)	650,325
Net Investment in tangible capital assets	(1,212,485)	1,212,485		
Deferred capital contributions				
Repayment of bank loans	(251,148)	251,148		
Bank loan acquisition	1,000,000	(1,000,000)		
Balance, end of year	966,431	498,839	1,465,271	1,635,683

Nanaimo Christian School (1988) Society**Statement of Operations**

For the period ended May 31, 2022

(with comparative amounts for July 31, 2021)

	2022	2021
Revenues		
Tuition	2,798,272	2,771,065
Grants	2,957,894	3,492,053
Donations, bus rider fees and miscellaneous	289,631	128,079
Deferred contributions related to capital assets		17,638
	<u>6,045,797</u>	<u>6,408,835</u>
Expenses		
Accounting and legal	18,044	42,694
Amortization	325,693	404,936
Bad debts		(58,131)
Bursary administration	-	250
Bus	164,914	124,536
Computer support	139,976	135,827
Dues and subscription	50,035	62,789
Educational program and resources	92,769	87,264
Fundraising	4,935	4,802
Insurance	52,012	53,935
Interest and bank charges	8,330	6,040
Interest on debts	213,266	275,973
International students costs	4,999	7,784
Janitorial supplies	178,825	221,404
Library	4,854	5,293
Marketing	30,772	25,500
Office and postage	41,189	50,802
Professional development	36,040	28,180
Rent	17,032	7,606
Repairs and maintenance	83,657	99,153
Security system	1,519	2,225
Special education costs	17,689	15,143
Student activities	83,757	23,337
Utilities	82,241	90,825
Wages and benefits	4,563,660	4,040,344
	<u>6,216,210</u>	<u>5,758,511</u>
Excess of revenues over expenses	<u>(170,413)</u>	<u>650,324</u>

Nanaimo Christian School

Budget

Budget year: 2021-22

	2021-22
	Proposed Total
REVENUES	
Tuition	\$ 3,064,950
Tuition - First Nations students	94,500
Preschool/B&A School Care	220,000
Registration and application	5,800
Tuition and Fees - International Program	135,000
Other extra tuitions	-
Transportation	90,000
Total tuition and fees	3,610,250
Provincial government funding	3,161,233
Special Education funding	811,700
Other grants	77,000
Total government grants	4,049,933
Donations	31,000
Fundraising	25,000
Donations to student fundraising	-
Payments from student fundraising	-
Net product sales	2,000
ESL program	-
GST rebate	22,000
Rental income	35,000
Other	10,000
Total other revenue	125,000
Total Revenues	\$ 7,785,183
EXPENSES	
EDUCATIONAL	
Educational salaries and benefits - elementary	1,285,319
Educational salaries and benefits - middle	810,454
Educational salaries and benefits - secondary	925,594
International/First Nations program salaries and benefits	36,056
Special education salaries and benefits	817,403
Preschool salaries and benefits	158,066
Substitute wages	68,750
Professional development - all education programs	48,850
Curriculum and Instructional Resources	120,350
Tuition Assistance Max Allowance (\$)	198,632
Student Activities	71,400
Sporting Activities	25,000
International Program (inc. homestay)	45,625
Special Ed	33,000
Preschool	16,000
Office Supplies- elementary	7,200
Office Supplies - middle	5,370
Office Supplies - secondary	5,820

Miscellaneous Office	13,220
MySchool Software	15,210
MyEdBC	10,140
Total educational	4,717,459

FACILITIES

Salaries and benefits	80,921
Maintenance - Building	73,400
Janitorial supplies	30,000
Emergency Supplies	750
Hydro	50,000
User Rates	14,000
Gas	19,000
Security contract	2,900
Garbage collection	13,000
Maintenance - Grounds	52,300
Janitorial Contract	182,000
Insurance	56,850
Total facilities	575,121

TRANSPORTATION

Salaries and benefits	-
Bus Company	172,500
Repairs, fuels, insurance	13,000
Licensing	1,900
Insurance	-
K-5 Bussing (Field Trips)	10,000
MS Bussing (Field Trips)	10,000
HS Bussing (Field Trips)	15,000
Total transportation	222,400

ADMINISTRATION

Salaries and benefits	751,607
Professional development - Admin	15,400
Professional development - Board	5,000
Dues and Fees	72,000
Phone	3,000
Cell Phones	4,500
Office	10,000
Copier Expense	12,100
Miscellaneous Admin Expenses	16,500
Staff Retreats	6,000
Admin Retreat	3,000
Internet/Domain/Website/Firewall	4,980
IT - 3rd Party Support	12,000
IT - Management Contract	95,000
IT Licensing	22,525
P/T Conferences	2,500
Staff Awards/Gifts/Celebrations	11,000
Staff Room	5,000
COVID (masks, supplies, signage, tech)	1,500
Student Awards and gifts	8,500
Teacher Recruitment	3,000
Board Misc	4,000
Total administration	1,069,112

DEVELOPMENT AND PROMOTION

Salaries and benefits	125,173
Professional development	1,500
Fundraising expenses	19,200
Promotion and student recruitment	3,700
Other development expenses	1,500
Total development and promotion	151,073

FINANCING AND CAPITAL

Operating line interest and finance charges (5810)	15,500
Interest on long term debt	311,200
Principal payment on long term debt	284,800
Tuition - early payment discounts	1,530
Contingency Fund	-
Amortization of capital assets	1
Employer Health Tax	82,636
Bursary administration (5825)	1,000
Accounting and Legal (5830)	40,000
Monthly Reconciliation Audit (5060)	-
Bad Debt (5005)	15,000
TOTAL	
Major capital items	16,000
Minor capital items	159,000
Total financing and capital	926,668
TOTAL EXPENSES	7,661,832

Excess (deficit) of revenues over expenses	\$ 123,350
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Public School Per Student FTE Operating Cost Comparison (PSOC)

Estimated PSOC	\$ 9,565
Public School Per Student FTE Operating Cost for your	\$ 10,075
PSOC Room (deficiency)	\$ 510

EXECUTIVE SUMMARY

REVENUE	2021-22 Proposed Total
Tuition and fees	\$ 3,610,250
Government grants	4,049,933
All other revenues	125,000
TOTAL REVENUE	7,785,183
EXPENSES	
Educational	4,717,459
Facilities	575,121
Transportation	222,400
Administration	1,069,112
Development and promotion	151,073
Capital and financing	926,668
TOTAL EXPENSES	7,661,832
Excess (deficit) of revenue over expense	\$ 123,350

155,703.65

1.58%