

Society for Christian Education  
in Southern Alberta  
**Fall Membership Meeting**



**Meeting Date: Monday, November 28, 2022**

**7:30 pm**

**802-6 Ave. N., Lethbridge**

Included:

Minutes of May 30, 2022 meeting

2020-2021 Audited Financial Statements

Updated Charter & Bylaws



## **Annual Fall Membership Meeting**

*Society for Christian Education in Southern Alberta*

*Monday, November 28, 2022*

*Immanuel Christian Secondary School*

### **Agenda**

Welcome	Scott Van't Land <i>Board Chair</i>
Song: <i>Be Thou My Vision</i>	
Opening Devotions	Prakash Timsina <i>Central Church of Christ</i>
Minutes of May 30, 2022 Meeting	Daniel Hummel <i>Board Secretary</i>
Presentation of 2021/22 Audited Financial Statements	Nadine Granson <i>Avail CPA</i>
Approval of 2021/22 Audited Financial Statements	Brendan Scholten <i>Board Treasurer</i>
Strategic Plan Report <ul style="list-style-type: none"><li>• Bylaw Updates</li><li>• Update on new Society positions</li><li>• CRA Update</li><li>• BIG Project Update</li></ul>	Scott Van't Land <i>Board Chair</i>
Members Business	Scott Van't Land <i>Board Chair</i>
Song: <i>Come, Thou Long-Expected Jesus</i>	
Closing	Mitchell Muizelaar <i>Board Vice-Chair</i>

## Be Thou My Vision

### Verse 1

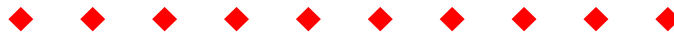
Be Thou my Vision O Lord of my heart  
Naught be all else to me save that Thou art  
Thou my best thought by day or by night  
Waking or sleeping, Thy presence my light

### Verse 3

High King of heaven, my victory won  
May I reach heaven's joys bright heaven's Sun  
Heart of my own heart whatever befall  
Still be my Vision, O Ruler of all

### Verse 2

Be Thou my Wisdom and Thou my true Word  
I ever with Thee and Thou with me, Lord  
Thou my great Father; I, Thy true son  
Thou in me dwelling, and I with Thee one



## Come, Thou Long-Expected Jesus

### Verse 1

Come, thou long-expected Jesus  
Born to set thy people free;  
From our fears and sins release us,  
Let us find our rest in thee.

### Verse 4

By thine own eternal Spirit  
Rule in all our hearts alone;  
By thine all-sufficient merit  
Raise us to thy glorious throne.

### Verse 2

Israel's strength and consolation  
Hope of all the earth thou art:  
Dear desire of every nation  
Joy of every longing heart.

### Verse 3

Born thy people to deliver  
Born a child and yet a king,  
Born to reign in us forever  
Now thy gracious kingdom bring.



## **Minutes of the Spring Society Meeting**

### **May 30, 2022**

1. Welcome – Scott Van't Land, Board Chair, at 7:30
2. Opening Devotions – Pastor Paul Droogers, Iron Springs CRC
3. Agenda
  - **MSC** to approve the agenda as presented. Motion made by Brendan Scholten, seconded by Dave Neels. Carried.
4. Minutes of November 29, 2021 Society Meeting – Monica Loewen, Board Secretary
  - Request to amend the minutes from the meeting to read "Opposition voiced regarding the requirement from Lethbridge School Division of COVID-19 vaccinations to enter the school buildings." rather than "Concern voiced..."
  - **MSC** to approve the amended minutes of Spring Society meeting – Motion made by Monica Loewen, seconded by Derek Kreft. Carried.
5. Service Awards & Recognition
  - Exiting Board Members – Calvin Konynenbelt, Monica Loewen, Heidi Sikkens
  - Exiting Staff Member - Marina Grant
  - Recognition of 20 years of Service: A & S Cleaning Services (Andy Brandsma), Teresa Selles
  - Recognition of 10 years of Service – Monique Barthel
6. Strategic Plan Report – Scott Van't Land, Board Chair
  - Constitution & Bylaw Review – Report on presented updated Society Constitution and Bylaws.
    - **MSC** to approve the updated Constitution & Bylaws as presented – Motion made by Mitchell Muizelaar, seconded by Samantha Van't Land. Carried.
  - New Society Staffing Positions – Report on new positions, Executive Director & Director of Discipleship.
7. Presentation of Budget – Heidi Sikkens, Treasurer
  - **MSC** to approve the 2022/23 budget as presented – Motion made by Heidi Sikkens, seconded by Derek Kreft. Carried.
8. Hiring Committee – Scott Van't Land, Board Chair
  - Request made for two volunteer members for the hiring committee for the Executive Director and Director of Discipleship.
  - Amy Ovinge will allow her name to stand; notice will be put in Society newsletter, requesting one more volunteer.
9. New Board Members – Scott Van't Land, Board Chair
  - Recognition of Josh DeHaan and Dan Hummel, who have both agreed to let their name stand for the upcoming season.
10. Members Business

- Question regarding which route will receive the new bus, with a recommendation that it will go to the Nobleford route.
- Question regarding the reduced numbers of students within the Society.
- Question regarding the progress on the Home Ec room renovation – work has begun, with an anticipated completion date of the end of the year.
- Question regarding a new parking lot at the elementary campus; report given on the current negotiations with the City of Lethbridge for the land required for the project.
- Question regarding requesting increased safety on the side street east of the elementary campus, with a request to ask the City of Lethbridge to implement enforcement.
- ICSS Parent Council meeting taking place on June 9<sup>th</sup>, with parents of secondary students encouraged to attend.
- Question regarding whether membership meetings could be hybrid; technical details to be worked out for future meetings.

11. Closing Prayer – Julia Sinke, Board Vice Chair

12. Adjournment – Scott Van't Land at 8:45.

**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**

**FINANCIAL STATEMENTS**

**For the year ended August 31, 2022**

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# THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA

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August 31, 2022

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## INDEPENDENT AUDITOR'S REPORT

To: The Directors of  
The Society for Christian Education in Southern Alberta

### *Opinion*

We have audited the financial statements of The Society for Christian Education in Southern Alberta, which comprise the statement of financial position as at August 31, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at August 31, 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 Opinion*

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 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:



## INDEPENDENT AUDITOR'S REPORT, continued

### *Auditor's Responsibilities for the Audit of the Financial Statements, continued*

- ♦ 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.



Lethbridge, Alberta

November 16, 2022

Chartered Professional Accountants

**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**STATEMENT OF FINANCIAL POSITION**  
**As at August 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 2,128,579	\$ 1,969,590
Accounts receivable (note 3)	54,958	42,776
Prepaid expenses	2,459	29,465
Funds held in trust	20,492	-
	2,206,488	2,041,831
<b>Capital assets (note 4)</b>	2,335,577	2,427,961
<b>Annuity funds</b>	-	24,110
<b>Endowment funds</b>	91,495	90,123
	<b>\$ 4,633,560</b>	<b>\$ 4,584,025</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 240,992	\$ 27,527
Deferred revenue (note 5)	181,025	136,362
Deferred capital contributions (note 6)	1,161	268,436
Funds held in trust	20,492	-
Current portion of mortgage payable	48,179	46,621
	491,849	478,946
<b>Canada Emergency Business Account (CEBA) (note 7)</b>	40,000	40,000
<b>Mortgage payable (note 8)</b>	406,034	454,213
<b>Unamortized capital contributions (note 9)</b>	921,258	783,533
<b>Other long term liability</b>	-	24,110
	1,859,141	1,780,802
<b>Net Assets</b>		
Unrestricted	172,659	257,346
Invested in capital assets	960,105	1,143,594
Endowment fund (note 10)	91,495	90,123
Internally restricted (reserves) (note 11)	1,550,160	1,312,160
	2,774,419	2,803,223
	<b>\$ 4,633,560</b>	<b>\$ 4,584,025</b>

Approved on behalf of the board:

Director \_\_\_\_\_

Director \_\_\_\_\_

# THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA

## STATEMENT OF OPERATIONS For the year ended August 31, 2022

	2022 Budget (unaudited)	2022 Actual	2021 Actual
<b>Revenue</b>			
School fees	\$ 796,650	\$ 879,447	\$ 822,249
Lethbridge School District #51 (note 12)	364,500	732,047	800,539
Gifts, donations, and fundraising	10,000	269,917	144,387
Transportation	220,000	234,209	203,850
Interest on investments	-	49,599	62,764
Other sales and service	-	16,630	9,779
Government programs revenue	-	-	29,043
	1,391,150	2,181,849	2,072,611
<b>Expenses</b>			
Operations and maintenance (schedule 1)	488,750	582,281	619,077
Administrative (schedule 2)	494,622	563,388	513,288
Transportation (schedule 3)	486,500	523,182	428,804
Interest on long-term debt	19,200	15,779	17,266
Bad debts	7,800	3,667	4,249
	1,496,872	1,688,297	1,582,684
<b>Excess (deficiency) of revenue over expenses from operations</b>	(105,722)	493,552	489,927
<b>Other expenses (income)</b>			
Gain on disposal of capital assets	-	(17,385)	(3,000)
Write off of capital assets	-	311,181	-
Amortization of capital contributions	-	(129,730)	(129,730)
Amortization	-	359,662	324,866
	-	523,728	192,136
<b>(Deficiency) excess of revenue over expenses</b>	\$ (105,722)	\$ (30,176)	\$ 297,791

**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**STATEMENT OF CHANGES IN NET ASSETS**  
For the year ended August 31, 2022

	Unrestricted	Invested in	Endowment	Internally	Total
	capital assets	restricted	restricted	restricted	
	fund	(reserves)	(reserves)	2022	2021
Balance, beginning of year	\$ 257,346	\$ 1,143,594	\$ 90,123	\$ 1,312,160	\$ 2,503,851
(Deficiency) excess of revenue over expenses	(30,176)	-	-	(30,176)	297,791
Purchase of capital assets	(589,968)	589,968	-	-	-
Capital assets purchased by capital contributions	267,455	(267,455)	-	-	-
Amortization of capital contributions	(129,730)	129,730	-	-	-
Amortization	359,662	(359,662)	-	-	-
Transfer to reserves	(250,000)	-	-	250,000	-
Mortgage repayments	(46,621)	46,621	-	-	-
Disposal of capital assets	322,691	(322,691)	-	-	-
Endowment fund donations and interest	-	-	1,372	-	1,581
Transfer from reserves	12,000	-	-	(12,000)	-
Balance, end of year	\$ 172,659	\$ 960,105	\$ 91,495	\$ 1,550,160	\$ 2,803,223

# THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA

## STATEMENT OF CASH FLOWS For the year ended August 31, 2022

	2022	2021
<b>Cash flows from operating activities</b>		
(Deficiency) excess of revenue over expenses	\$ (30,176)	\$ 297,791
Adjustments for items which do not affect cash		
Amortization	359,662	324,866
Gain on disposal of capital assets	(17,385)	(3,000)
Amortization of capital contributions	(129,730)	(129,730)
Forgivable portion of Canada Emergency Business Account	-	(20,000)
	182,371	469,927
Change in non-cash working capital items		
Accounts receivable	(12,182)	122,881
Prepaid expenses	27,006	(6,794)
Accounts payable and accrued liabilities	213,463	(42,712)
Deferred revenue	44,663	2,471
Funds held in trust	20,492	-
	475,813	545,773
<b>Cash flows from investing activities</b>		
Proceeds on disposal of capital assets	28,896	3,000
Purchase of capital assets	(589,968)	(180,638)
Write off of capital assets	311,181	-
	(249,891)	(177,638)
<b>Cash flows from financing activities</b>		
Capital contributions received	180	105,385
Decrease in mortgage payable	(46,621)	(45,134)
Canada Emergency Business Account loan	-	20,000
	(46,441)	80,251
<b>Net increase in cash and cash equivalents</b>	179,481	448,386
<b>Cash and cash equivalents, beginning of year</b>	1,969,590	1,521,204
<b>Cash and cash equivalents, end of year</b>	\$ 2,149,071	\$ 1,969,590
<b>Cash and cash equivalents consist of:</b>		
Cash	\$ 2,128,579	\$ 1,969,590
Funds held in trust	20,492	-
	\$ 2,149,071	\$ 1,969,590

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**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2022**

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**1. Nature of operations**

The Society for Christian Education in Southern Alberta was formed to operate Immanuel Christian Elementary and Immanuel Christian High Schools in Lethbridge, Alberta under contract with the Board of Trustees of Lethbridge School District #51.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

**(a) Revenue recognition**

School fees and support contributions are recognized in the year to which they relate.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

**(b) Cash and cash equivalents**

The Society includes amounts held by financial institutions in operating accounts in the determination of cash and cash equivalents.

**(c) Financial instruments**

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

**(d) Capital assets**

Capital assets are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Buildings	5%
Vehicles	12.5%
Furniture and fixtures	5 to 10%
Computer equipment	25%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital contributions received for asset additions are amortized into revenue over the same period as the amortization expense. Amortization of capital assets begins in the year after acquisition.

**(e) Vacation pay**

Vacation pay is accrued in the period in which the employee earns the benefit.

**(f) Net assets invested in capital assets**

The Society has chosen to present net assets invested in capital assets as a separate component of net assets.

**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2022

**2. Significant accounting policies, continued**

(g) Contributed services

Volunteers contribute a considerable number of hours per year to the school to ensure that certain programs are delivered. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Income taxes

The Society is a registered charity and is exempt from income taxes under section 149(1)(f) of the Income Tax Act.

(i) 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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Specific areas with measurement uncertainty include accounts receivable, amortization of capital assets, and deferred revenue. Actual results could differ from those estimates.

**3. Accounts receivable**

	2022	2021
School fees	\$ 8,167	\$ 15,400
Grants receivable	12,166	12,166
GST	23,631	10,257
Miscellaneous	10,994	4,953
	<u>\$ 54,958</u>	<u>\$ 42,776</u>

**4. Capital assets**

			2022	2021
	Cost	Accumulated amortization	Net	Net
Land	\$ 205,459	\$ -	\$ 205,459	\$ 205,459
Buildings	6,880,319	5,405,387	1,474,932	1,601,708
Vehicles	1,275,713	708,103	567,610	520,750
Furniture and fixtures	499,437	411,861	87,576	100,044
Computer equipment	46,451	46,451	-	-
	\$ 8,907,379	\$ 6,571,802	\$ 2,335,577	\$ 2,427,961

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**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2022

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**5. Deferred revenue**

Deferred revenue represents unspent resources received in the current period that are related to the subsequent period. Changes in the deferred revenue balance are as follows:

	Balance, beginning of year	Received	Recognized	Other	Balance, end of year
Prepaid school fees	\$ 33,450	\$ 942,708	\$ (879,447)	\$ -	\$ 96,711
Trades program	12,987	-	-	-	12,987
Deferred scholarship	18,630	-	(1,700)	-	16,930
Deferred fundraising	58,076	3,576	(41,337)	-	20,315
Current portion of annuity funds	10,000	-	(3,247)	24,110	30,863
Clint Konyonenbelt Memorial	3,219	-	-	-	3,219
	<u>\$ 136,362</u>	<u>\$ 946,284</u>	<u>\$ (925,731)</u>	<u>\$ 24,110</u>	<u>\$ 181,025</u>

**6. Deferred capital contributions**

Deferred capital contributions represent contributed capital assets and restricted contributions for the purchase of capital assets. The changes in the deferred capital contributions balances for the period are as follows:

	2022	2021
Balance, beginning of year	\$ 268,436	\$ 163,051
Contributions received during the year	180	105,385
Contributions spent during the year -capital asset additions	(267,455)	-
	<u>\$ 1,161</u>	<u>\$ 268,436</u>



**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2022

**7. Canada Emergency Business Account (CEBA)**

	2022	2021
This loan is unsecured and non-interest bearing with no specific terms of repayment until January 2024, at which time the loan will bear interest at 5% and be repayable over three years.	\$ 40,000	\$ 40,000

Total assistance of \$60,000 has been received. Repayment of the loan before December 31, 2023 will result in forgiveness of up to \$20,000. The \$20,000 forgivable portion has been recorded directly into income in prior years.

**8. Mortgage payable**

	2022	2021
This loan is repayable at \$5,200 per month including interest at 3.29%. Security pledged consists of an authorized overdraft protection agreement in the amount of \$1,000,000, a first blanket collateral mortgage registered in the amount of \$1,000,000 against specified property and a general assignment of all rents and leases on the specified property.	\$ 454,213	\$ 500,834
Less current portion	48,179	46,621
	\$ 406,034	\$ 454,213

Estimated principal repayments are as follows:

2023	\$ 48,179
2024	49,788
2025	51,451
2026	53,169
2027	54,945
Subsequent years	196,681
	\$ 454,213

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**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2022

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**9. Unamortized capital contributions**

Unamortized capital contributions represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital contributions apply. The unamortized capital contributions account balance is increased by transfer of previously deferred capital contributions now spent, and decreased as it is brought into revenue (amortization of capital contributions).

	2022	2021
Balance, beginning of year	\$ 783,533	\$ 913,266
Transfer from deferred capital contributions - capital asset additions	267,455	-
Amounts amortized to revenue	(129,730)	(129,733)
Balance, end of year	\$ 921,258	\$ 783,533

**10. Endowment Fund**

The Society's Endowment Fund was established in 1997. The purpose of the endowment fund is to raise funds for the future financial stability and affordability of the Christian education provided by the Society. The principal of the Endowment fund is to remain the property of the Society for perpetuity and not be spent. Endowment contributions that are externally restricted by donors are recorded as direct increases in the endowment fund. In addition, the Board of Directors have approved that 10% of the annual earnings be added to the principal amount of the endowment fund (as direct increases in net assets) to guard against inflation. Any other accrued monies from the investments may be used for any purposes deemed appropriate by the Society Endowment Fund Committee, subject to Board approval.

The Society has also been named beneficiary of several life insurance policies with an estimated fair market value of \$50,000. As the timing of the receipt of funds cannot be determined, no recognition of these amounts has been recorded in the financial statements.

**11. Internally restricted reserves**

The Board of Directors have internally restricted the future use of a portion of the Society's net assets for reserves as follows.

	2022	2021
Contingency reserve	\$ 1,048,160	\$ 1,198,160
Payroll reserve	102,000	102,000
Capital maintenance reserve	400,000	12,000
	\$ 1,550,160	\$ 1,312,160

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**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended August 31, 2022**

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**12. Lethbridge School District #51**

Revenue received from Lethbridge School District #51 is as follows:

	2022	2021
Operations and maintenance	\$ 311,812	\$ 331,371
Lease Grant Funding	370,682	419,615
Transportation	49,553	49,553
	<u>\$ 732,047</u>	<u>\$ 800,539</u>

**13. Line of credit**

The Society obtained two lines of credit from Christian Credit Union Ltd. The authorized overdrafts are to a maximum of \$250,000 and \$75,000, with an interest rate of prime, currently at 2.95%, plus 1%. The loans are payable on demand. Security pledged consists of an authorized overdraft protection agreement in the amount of \$1,000,000, a first blanket collateral mortgage registered in the amount of \$1,000,000 against specified property and a general assignment of all rents and leases on the specified property. During the year neither of the lines of credit were drawn on.

**14. COVID-19**

Events have occurred as a result of the COVID-19 pandemic that have caused economic uncertainty. The duration and impact of the pandemic, as well as the effectiveness of government responses, remains unclear at this time.

The Society's revenue has remained stable during the pandemic. The Society has developed policies to ensure the safety of its employees and students is maintained. Management is not aware of any material impairments that will further impact the financial assets or liabilities of the Society due to the pandemic.

**THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA**  
**SCHEDULES TO THE FINANCIAL STATEMENTS**  
For the year ended August 31, 2022

**Schedule of operations and maintenance**

**Schedule 1**

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Repairs and maintenance	\$ 90,000	\$ 160,210	\$ 226,444
Janitorial services and supplies	147,000	154,955	147,090
Utilities	110,000	121,561	113,479
Salaries and benefits	93,500	91,155	86,889
Insurance	48,250	54,400	45,175
	<b>\$ 488,750</b>	<b>\$ 582,281</b>	<b>\$ 619,077</b>

**Schedule of administrative**

**Schedule 2**

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Instructional salaries and benefits	\$ 182,672	\$ 169,980	\$ 153,802
Society office salaries and benefits	128,250	127,401	119,840
Supplies	38,500	91,471	64,974
Memberships	48,000	45,479	44,077
Teaching for Transformation	42,000	44,362	42,460
GST	9,500	24,155	15,235
Promotion	20,000	22,813	18,064
Professional fees	20,000	15,250	25,402
Fundraising	-	11,170	17,355
Scholarships	-	6,425	6,675
Bank charges and interest	2,200	2,601	2,565
Conventions	3,500	2,281	2,839
	<b>\$ 494,622</b>	<b>\$ 563,388</b>	<b>\$ 513,288</b>

**Schedule of transportation**

**Schedule 3**

	2022 Budget (unaudited)	2022 Actual	2021 Actual
Salaries and benefits	\$ 259,750	\$ 264,363	\$ 242,813
Repairs and maintenance	115,000	119,547	98,387
Fuel	90,000	111,482	64,091
Insurance	21,750	23,732	19,361
Cellular phones	-	4,058	4,152
	<b>\$ 486,500</b>	<b>\$ 523,182</b>	<b>\$ 428,804</b>

~~CONSTITUTION and BYLAWS~~  
CHARTER & PRINCIPLES

Society for Christian Education in Southern Alberta  
802 – 6th Avenue North  
Lethbridge, Alberta T1H 0S1

Incorporated under the Societies Act  
The 31st day of July A.D., 1961

## A. CONSTITUTION CHARTER

- 1) The name of the Society is “THE SOCIETY FOR CHRISTIAN EDUCATION IN SOUTHERN ALBERTA” (SCESA).
- 2) The operations of the Society are chiefly carried on in the City of Lethbridge, Alberta, and elsewhere in the Province of Alberta.
- 3) The objects of the Society are to establish and maintain one or more schools to provide education based on the Bible as the infallible Word of God.
- 4) The Society is committed to the following fundamental principles:
  - a. That the instruction and education of the child, in the school as well as in the home, must be in accordance with the Bible as the infallible Word of God.
  - b. That the child’s instruction and education must be of a high standard, properly relating the works of God and the Bible, as interpreted in the Apostles’ Creed, Nicene Creed, Athanasian Creed, Heidelberg Catechism, and the Westminster Larger & Shorter Catechisms.
  - c. That, although the Church and State have their own distinct interest in the school, the school is an institution that depends on and must be supported by the home.

## B. STATEMENT OF PRINCIPLES

The Society is committed to the following theological principles:

- 1) **CREATION:** that man, the world, and its purpose, is to be understood only in relation to God the Creator and Jesus Christ the Redeemer.
- 2) **SIN:** that man’s disobedience to his Creator has broken the relationship of man with his Maker and has caused God’s curse on life.
- 3) **REDEMPTION:** that Christ, the Word Incarnate, is the only Redeemer and Renewer of life, in that He restores the relationship between God and creation.
- 4) **HUMAN LIFE:** that human life in its entirety, which includes the fields of learning and teaching, unfolds itself as service either to God as He reveals Himself in the Scriptures, or to an idol.
- 5) **KNOWLEDGE:** that true knowledge is made possible only by means of true faith in Jesus Christ, and finds its source in the Word of God, through the working of the Holy Spirit.
- 6) **THE CHILD AND THE SCHOOL:** by virtue of the covenant of grace, the school provides an environment in which God calls His children to develop and use their gifts for joyful service in His kingdom.
- 7) **LEARNING AND TEACHING:** that all learning and teaching pursued in faithful obedience to God’s command to subdue the earth can proceed only in the light of God’s redeeming Word.

## **CONSTITUTION** FORMULATION AND ADOPTED REVISIONS

- 1) **DATED** this 20th day of April, A.D 1961
- 2) **AMENDED** this 21st day of June, 1968
- 3) **AMENDED** this 3rd day of November, 1978
- 4) **AMENDED** this 16th day of January, 2006
- 5) **AMENDED** this 30<sup>th</sup> day of May, 2022
- 6) **REGISTERED** March 7, 1979

## BYLAWS

Society for Christian Education in Southern Alberta  
802 – 6th Avenue North  
Lethbridge, Alberta T1H 0S1

Incorporated under the Societies Act  
The 31st day of July A.D., 1961



## BYLAWS

### **1) MEMBERSHIP**

- a. Membership is open at the discretion of the Board of Directors to all those 18 years and over who agree, by signing, to the Charter, Statement of Principles, and pay the membership fee as set by the Board of Directors.
- b. Membership requires a satisfactory faith-based reference and interview process.
- c. Membership is a prerequisite:
  - i. To enroll child(ren) in a Society school
  - ii. To sit on the Society Board of Directors
  - iii. To vote on Society matters
- d. Membership may be withdrawn by notifying the Board of Directors.
- e. Membership may be terminated by a three-quarter majority vote of the Board of Directors for any cause which the Board of Directors may deem reasonable.
- f. All appeals must follow the dispute resolution process as set out by the Board of Directors.

### **2) THE BOARD OF DIRECTORS**

- a. The Society will be governed by a Board of Directors.
- b. The members of the Board of Directors will be nominated from within the Society membership and will be elected by the Society at a meeting of the Society membership.
- c. Removal of a member of the Board of Directors
  - i. A member of the Board of Directors can be suspended for just cause by a majority vote of 80% of the Board of Directors.
  - ii. A member of the Board of Directors can be removed for just cause by a majority vote of 80% of the Board of Directors.
  - iii. A member of the Board of Directors who has been suspended or removed has the right to use the dispute resolution process.
- d. Term of office shall not exceed four years. A member of the Board of Directors may be re-elected to one consecutive term not exceeding two years.
- e. A member of the Board of Directors may serve a new term of office following a two-year absence.
- f. Has the power and duty to:
  - 1. Determine education policies and standards in alignment with the Society **Constitution** Charter and Statement of Principles.
  - 2. Investigate, recommend, and approve qualified candidate(s) for administration, educational and support staff, and remove those deemed unqualified.
  - 3. Engage, assign, and supervise all Society personnel.
  - 4. Administer the finances of the Society to:
    - i. Provide the necessary educational equipment and supplies.

- ii. Maintain building and transportation facilities and other properties of the Society.
- 5. Propose construction and/or acquisition of needed property, buildings and facilities to the Society membership for approval.
- 6. Propose a financial budget to the Society membership for approval at an annual meeting.
- 7. Keep proper and complete financial records and render a financial report to the Society membership at least once each year.
- 8. Render a general report of operations to the Society membership, at least once a year.
- 9. Promote the cause of Christian education.
- 10. Do such other things as may be necessary for the efficient administration of the Christian schools maintained by this Society.
- g. The Board of Directors shall meet at least four times per year. The meetings shall be called by the Chair together with the Secretary.
- h. Special meetings by the Board of Directors may be called by the Chair. The Chair shall be required to call a special meeting upon the written request of three members of the Board of Directors.
- i. A majority of the Directors shall constitute a quorum.
- j. The Board may appoint from among the members of the Society a group of persons who, by reason of education, experience or otherwise, to serve on committees deemed necessary by the Board of Directors.

### **3) OFFICERS**

- a. The Society shall have as executive officers a Chair, a Vice-Chair, a Secretary, and a Treasurer; these officers shall be chosen by the Directors at the first meeting of the new Board of Directors.
- b. Executive officers can be removed from their office by an 80% majority vote of the Board of Directors.
- c. The Chair shall preside at all meetings of the Society and of the Board. In the absence or inability of the Chair, the Vice-Chair may exercise all the powers of the Chair. The Chair shall be an ex-officio member of all Committees.
- d. The Secretary shall:
  - 1. Keep the minutes and act as Secretary of all meetings of the Board of Directors and Society membership meetings.
  - 2. Be the custodian of the records and of the seal of the Society.
  - 3. Ensure that the seal is affixed to all documents and agreements with respect to the Society as necessary.
  - 4. Keep a record of all the members of the Society, and their contact information, and shall send, or cause to be sent, all notices of various meetings as required.

5. Have the power with the Chair to make and execute for, and in the name of, the Society all deeds, mortgages, bonds, and other obligations or instruments when authorized by the Board of Directors.
- e. The Treasurer shall:
  1. Have general supervision over the care and custody of the funds and securities of the Society and shall deposit the same in such bank or trust company as the Board of Directors, or any Committee designated and vested with such power by the Board of Directors, may designate.
  2. Keep full and accurate accounts of all receipts and disbursements of the Society and, whenever required by the Board of Directors, render financial statements to the Society.
  3. Prepare, execute, and file in conjunction with the Chair, any annual reports or statements which may be required by these By-Laws, by the Board of Directors, or by the law.
- f. The Board of Directors may hire personnel to execute the secretarial and financial duties on behalf of the Board and its officers. The Board shall develop appropriate job descriptions and areas of responsibility for such personnel.

#### **4) FINANCIAL REPORTS**

The 31st day of August in each year shall be the end of the fiscal year of the Society. The accounts and financial records of the Society shall be audited by a qualified accountant, appointed by the Board of Directors and approved by the Society membership. The Auditor's report shall be available to the membership upon request. A summary of the audited financial statements will be provided at the Annual meeting of the membership.

#### **5) MEETINGS**

- a. The Society membership shall ordinarily meet twice a year and no less than once a year on dates to be set by the Board of Directors:
  1. Receiving and approving financial statements as presented by the Board of Directors.
  2. Receiving and approving a proposed budget for the ensuing year.
  3. Receiving reports by the Board of Directors regarding its activities during the past year.
  4. Conducting any other business pertinent to the welfare of the Society, which has been placed on the agenda.
- b. A special meeting of the Society membership may be called by the Board of Directors to dispose of special matters which the Board deems to be of an urgent nature. The Board of Directors shall call a special meeting of the Society membership upon receipt of a petition signed by at least forty members in which is set forth the purpose of reason for such a meeting. The Board shall call such a meeting not later than thirty days from the date of the Board meeting at which the petition was received.

- c. Written notices and/or digital communication specifying the time, place and purpose of annual and special meetings shall be made available to each member of the Society at least ten days prior to the date of the meeting.
- d. ~~All members present shall constitute a quorum.~~ 5% of current members shall constitute a quorum.
- e. Annual and special meetings may allow for in-person and/or online attendance at the discretion of the Board of Directors.

## 6) VOTING

- a. Any member in good standing shall have the right to vote at any meeting of the Society membership.
- b. Proxy votes shall be permitted at the discretion of Board of Directors. There shall be one vote counted per membership.

## 7) REMUNERATION

Officers/Directors of the Board shall not receive remuneration for duties performed in their capacity as Officers/Directors of the Board.

## 8) BORROWING POWERS

The Board of Directors, on behalf of the Society, may borrow, raise or secure payment of funds in such manner as it thinks fit. All land mortgages require ratification by the Society membership.

## 9) STAFF

- a. All administration, educational, and support staff shall be approved by the Board after careful consideration of their character, training, and other qualifications. They shall be approved for such terms and upon such salary and other conditions as are mutually agreed upon between Board and staff. They must lead a Christian life as defined by the Staff Covenant, be active participants in a Christian church, and declare their unconditional acceptance of the Statement of Principles of the Society as expressed herein. They must possess a valid certificate for the level of instruction for which they are engaged and must be scripturally sound in their teaching. Any administration, educational, and support staff whose instruction conflicts with the Constitution Charter and Statement of Principles of the Society, or whose life contradicts the Staff Covenant will no longer be eligible to be employed in a Society school.
- b. All Society staff shall be approved by the Board after careful consideration of their character, training, and other qualifications. They shall be approved for such terms and upon such salary and other conditions as are mutually agreed upon between Board and staff. A Society Staff member can be removed from their position for any and all reasons the Board deems reasonable.

## **10) RECORDS**

Members shall only have access to the audited financial statements of the Society, unless directed by a resolution of the Board of Directors.

## **11) BY-LAWS**

These Bylaws may be rescinded, altered, or added to by a special resolution of the Society, requiring seventy-five percent approval of votes cast.

## **12) DISSOLUTION**

In the event of the dissolution of the Society; the assets of the Society after payment of all debts shall be paid or transferred to a Christian organization of the Society's choice and hold charitable status with the Canada Revenue Agency.

## **BYLAW FORMULATION AND ADOPTED REVISIONS**

- 1) **DATED** this 20th day of April, A.D 1961
- 2) **AMENDED** this 21st day of June, 1968
- 3) **AMENDED** this 3rd day of November, 1978
- 4) **AMENDED** this 16th day of January, 2006
- 5) **AMENDED** this 30<sup>th</sup> day of May, 2022
- 6) **AMENDED** this 28<sup>th</sup> day of November, 2022
- 7) **REGISTERED** March 7, 1979