



# MEI Annual General Meeting Report

OCTOBER 23, 2018

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**AGENDA**  
**for MENNONITE EDUCATIONAL INSTITUTE SOCIETY**  
**ANNUAL MEETING**  
**for the year ending June 30, 2018**  
**October 23, 2018 - 7:00 PM**

WELCOME & INVOCATION

APPROVAL OF AGENDA ..... Paul Penner  
 INTRODUCTION of MEI BOARD DIRECTORS ..... Paul Penner

ROLL CALL of DELEGATES

Abbotsford Community Church	2	Mountain Park Community Church	4
Alderbrook Community Church	2	Northview Community Church	15
Arnold Community Church	4	Ross Road Community Church	4
Bakerview Church	4	South Abbotsford Church	4
Emmanuel Mennonite Church	4	The Life Centre	4
King Road MB Church	8		

BUSINESS:

Introduction of Parliamentarian ..... Cameron Friesen  
 Appointment of Balloting Committee ..... Brad Hutchison, Rebekah Meeker  
 Acceptance of Minutes from October 24, 2017 meeting ..... Motion 1  
 FINANCE COMMITTEE REPORT ..... James Gunther  
     Auditor’s Report ..... Tim Holloway, KPMG  
     Financial Statements and Proposed Budget for 2018 – 2019 ..... Myra Wieler  
     Adoption of 2017-18 Financial Statements ..... Motion 2  
     Approval of Budget for 2018 – 2019 ..... Motion 3  
     Borrowing ..... Motion 4  
     Auditor ..... Motion 5  
     Church Support ..... Motion 6  
 POLICY COMMITTEE REPORT ..... Cameron Friesen  
     Change of Bylaws ..... Special Resolution  
 PERSONNEL COMMITTEE REPORT ..... Mike Borseth  
 CHAIRMAN’S REPORT ..... Paul Penner  
     Supporting Church Membership Application ..... Discussion  
 HEAD OF SCHOOLS REPORT ..... Vijay Manuel  
 MOTIONS ..... Paul Penner



## MEI Annual General Meeting Minutes

October 24, 2017

7:00 pm – MEI Middle Multipurpose Room  
4081 Clearbrook Rd, Abbotsford BC

1. INVOCATION – Shawn Burkinshaw
2. INTRODUCTION OF BOARD MEMBERS AND EXECUTIVE

ABBOTSFORD COMMUNITY CHURCH	
ALDERBROOK COMMUNITY CHURCH	*Brad Hutchison, *Walt Siebert
ARNOLD COMMUNITY CHURCH	*James Gunther
BAKerview CHURCH	Jim Dyck
EMMANUEL MENNONITE CHURCH	
KING ROAD MB CHURCH	*Tina Ens, Detlef Wiebe
MOUNTAIN PARK COMMUNITY CHURCH	Roberto Amaya, Mike Borseth
NORTHVIEW COMMUNITY CHURCH	Rebekah Meeker, *Paul Penner
ROSS ROAD COMMUNITY CHURCH	Peter Vandervelden, Susanne Walton
SOUTH ABBOTSFORD CHURCH	Cameron Friesen
THE LIFE CENTRE	Nathan Jantzen

\*Chair of an Executive Committee

Board President, Paul Penner, chaired the meeting. Board members introduced themselves to the delegates and attendees.

3. ROLL CALL OF DELEGATES - DETERMINATION OF QUORUM

A delegate count of 48 is needed as per the Constitution. A count of 67 was determined by the Parliamentarian.

4. PRESENTATION OF AGENDA

**M/S Acceptance of the Agenda as presented. CARRIED**

5. INTRODUCTION OF PARLIAMENTARIAN

The Chair introduced Cameron Friesen, Board Member from South Abbotsford Church.

6. APPOINTMENT OF BALLOTING COMMITTEE

Tina Ens, Walt Siebert

**M/S Approval of Balloting Committee as listed above. CARRIED**

7. MINUTES OF ANNUAL MEETING OF OCTOBER 18, 2016

**M/S Approval of the AGM Minutes of October 18, 2016 as presented. CARRIED**



8. FINANCE REPORT – James Gunther

James G credited Vijay M, Shawn B and Myra W with the good work they are doing with MEI’s finances. He also thanked Board for their input.

Auditor’s Report – Tim Holloway, KPMG

Tim H reported a clean audit. A clean audit is determined by how many differences are found. There were none in this audit – a credit to the work of the Myra Wieler and the MEI Finance team.

a. APPENDIX A – Review of the Financial Statements – Myra Wieler, MEI Finance Manager

REVENUE

Factors influencing revenue: 3.5% increase in Tuition rates, Increase in enrolment from budget yielded a 3% increase, and Capital Fund donations increase \$228K from the year prior.

EXPENSES

Expenses increased in the following areas: Wages increased .5%, management restructuring created further increases, Repairs & Maintenance increased \$25K due to budgeted deferred maintenance projects, and Utilities rose \$38K due to increase use and rate hikes. The remaining expenses were similar to prior year end balances.

At the end of the fiscal year, MEI had a surplus of \$748,000

b. APPENDIX B – Review of the 2017-18 Budget – Myra Wieler

INCOME: 2% increase in domestic tuition rates.

EXPENSES: 2% increase for staff, new income from the BC Government (Classroom Enhancement Fund), Travel and Field Trips are down due to the cancellation of the Grade 9 overnight field trip, increase in Maintenance and Repairs with more projects are being undertaken. In the future, it is expected to use less of the surplus to balance the budget and moving to a place where each budget is self-sustaining.

**Question: Why is the 2017-18 Budget lower in the Restricted Fund than the closing 2016-17 Income Statement?**

**MEI budgets for the entire Operations and Capital Funds, and only the Short Term International Department in the Restricted Fund. The remaining Departments in the Restricted Fund are school enhancement programs (ie: Missions, Athletics). These are unbudgeted as the programs come and go based on school activities but are required to finish at breakeven or surplus position. Therefore they are unbudgeted at the outset but contribute to actual financial position as seen on the 2016-17 Income Statement.**

**M/S to Adopt the 2016-17 Financial Statements as presented CARRIED**

**M/S to Adopt the Proposed 2017-18 Budget as presented CARRIED**



#### 9. PRESIDENT'S REPORT – Paul Penner

Paul P reported that MEI is blessed to have engaged families and the support of member churches as MEI follows its primary objective of pointing students to Christ. He thanked the MEI Leadership Team (Board, Head of Schools and the Principals) referring to them as a God-orchestrated team. God's hand has been evident in the positive changes that have been taking place.

#### 10. HEAD OF SCHOOLS REPORT – Vijay Manuel

Vijay M thanked the Board and Board President for their support as well as the support from parents, churches, community. In the 1 ½ years that he has been at MEI a lot has happened. Education as a whole, spiritual dynamic and the moral compass is changing. It is a team effort to 'train a child in the way he should go'. The team at MEI is parents, teachers, staff, Head of Schools and the Board of Directors with a passion for Jesus and a passion for kids. MEI provides an inquiry-based learning environment, assesses learning with best practices, and provides opportunities for student voice and student environment.

Some changes this year – domestic registration is up, leaving fewer spaces for international students. MEI Leadership Team has balanced the FTE & Pupil/Teacher ratio. Installed updated and increased the number of security cameras, improved safety drills and placed first aid kits in every classroom as a result of School District 34's safety review following the tragic incident at Abbotsford Secondary November 2016.

Funding - MEI is funded by tuition, government funding, donations, supporting church fees. Capital expenditures are not government funded. Last year, there was a costly boiler repair in the Secondary building. The repair or replacement of the Secondary building is something that will need to be decided in the near future. MEI relies on donations to cover capital costs. It is thrilling to see supporters engaging as we saw a \$100K increase in donations last year.

Vijay thanked the delegates for the opportunity to lead during this exciting time at MEI.

#### 11. POLICY COMMITTEE – Marilyn Edwards

Marilyn E expressed her thanks for the opportunity to serve on the MEI Board for the last 14 years. In 2016, a new BC Societies Act came in to force. MEI was advised to protect itself by drafting a new constitution. In the last constitution (drafted in 1945), every member of a Supporting Church is a member of the MEI Society. The intent of the new constitution is to keep the essence of the original intent - keeping the relationship with the Supporting Churches strong. In the new constitution, the Church itself is a member and can appoint delegates. The MEI Board is pleased with the result and united in the decisions that were made.

#### 12. EXTERNAL RELATIONS COMMITTEE – Walt Siebert

Walt S thanked Bev Gascon and Vijay for the work they have done this year. MEI is gaining a larger presence in the community – reaching out to alumni, churches and stakeholders.



13. PERSONNEL COMMITTEE – Wendie Nickel

Wendie N shared that she enjoyed the time she was on the Board working with the staff. Wendie encouraged everyone to please pray for the staff.

**M/S To approve the reports as listed above. CARRIED**

14. MOTIONS

**M/S That in accordance with Section 35(3) of the Society Act, MEI Society, through the Board of Directors, be authorized to issue debentures. CARRIED**

15. NEW BUSINESS

Paul P highlighted portions of the new MEI Constitution and Bylaws – Draft #5

Confession of Faith – is aligned with the Mennonite Brethren’s confession of faith - a document that will not be easily changed. MB BC’s statement of faith is currently tied to the Canadian document. It is a solid document – to face potential challenges in the future.

Paul noted that Emmanuel Mennonite is not an MB supporting church. Vijay M and Paul P met with their leadership explaining the reasoning for aligning with MB document and reiterated how much MEI values our relationship with all our supporting congregations. The Mennonite Conference does not have a similar document.

Definition of Terms: ‘Mennonite Church’ - member of the Society – MB or MC; ‘Special Resolution’ – 75% majority- to make it more difficult to change the document.

Two classes of membership: Delegates and Board Members

Delegate Structure: the Supporting Church as an entity has no vote but appoints delegate members who can vote. The number of delegates is determined by number of members (details in the document). The current structure (1 delegate per 25 members) is tough to work with. It is recommended that churches select members carefully.

Board Structure: Moving from 2 directors per church to 1 per church. Currently, there is an Executive Board and a Larger Board. In the new structure, there will be only one Board. Board Members will serve for a 3 year term for up to 9 consecutive years after which they will need to step down. They may be reappointed in the future. Anyone serving today can remain on the Board.

Remaining assets – if MEI dissolves, the remaining assets will be divided according to what was paid the last year.

**Question: How will members at large be appointed?**

**The Board can appoint up to 5 members at large. The Board will notify the Churches to let them know if they are looking for a certain skill set.**

**M/S To approve the new MEI Society Constitution and Bylaws (Draft #5), as presented.**

**CARRIED**



**M/S To adjourn the 2017 MEI ANNUAL GENERAL MEETING      CARRIED**

**ADJOURNMENT:** Time 8:39pm

Respectfully submitted,

Tina Ens, MEI Board Secretary

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Paul Penner, MEI Board President

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Date





## Finance Committee Report

As I reflect on this past year serving in the MEI finance department, I continue to keep thinking, 'Stay the Course'. This would be the theme I would choose as our admin and board have chosen a path to lead our school in fiscal responsibility, and management. It has often been said that the spiritual strength of an organization is directly related to the financial strength. God is moving in so many ways at MEI, he is using Godly people, and their unwavering strength to commit to using his financial resources the way he sees fit.

As the BC Societies Act came into effect this past year, the MEI board, and all smaller committees have had to restructure, finance included. With these changes, our finance committee no longer votes or runs our meetings in the same way as in the past. We continue to run monthly meetings to stay on top of where the school is headed, and we help guide our board in decision making.

School enrollment this past year was incredibly strong, and this trend only continues to get stronger as we move forward. Admin continues to monitor our staff to pupil ratios to keep them in line with strong student enrollment. Also, any chance our board gets, we continue to hammer down our debt. We also strive to pursue a more aggressive maintenance schedule for our 3 schools.

As there is much talk about doing something in the building dept. of the secondary school, finance will be taking a large role in helping shape a path to move forward. Please continue to keep us in your prayers as we search Gods guidance, and direction in how/where he desires us to move ahead.

In closing, I want to thank all our financial donors, MEI sponsors, parents, grandparents, teachers and staff that make MEI a great place to learn. Also, our supporting churches that surround us with prayer and spiritual strength.

Only to God be the glory.

Respectfully submitted,  
James Gunther



## POLICY COMMITTEE REPORT

This past year we have changed the structure of the board to become smaller while still reflecting the 'ownership' of the churches. Please see board structure notes below. We have also adopted new bylaws that affect our church delegate structure and how voting takes place at our AGM. Churches should carefully select members in good standing and send in writing the names of their delegate to the board before the AGM.

The Policy Committee's work this year will be to review all policies to ensure it is aligned with The MEI Society's new bylaws.

### **Overview of The Board Structure**

- Board Structure: Moved from 2 directors per church to 1 per church. There will only be one Board. There will no longer be a board and an executive board. Board Members will serve for a 3-year term for up to 9 consecutive years after which they will need to step down. They may be reappointed in the future. In addition to this, the board has the option to nominate up to four at-large directors, for unique Board needs.
- 5.4 Each Supporting Church may in writing appoint one director directly to the Board, provided that the appointed director meets all of the following qualifications:
  - (a) the person is a member in good standing of the Supporting Church that is appointing the director;
  - (b) the person is not an employee of the Society or the spouse, parent, child or grandchild of an employee of the Society;
  - (c) the person wholeheartedly accepts, adopts and subscribes in writing to the Foundational Statements and the purposes of the Society set out in its constitution; and
  - (d) the person agrees in writing to abide by the Standards for Life & Community policy of the Society as established and revised by the Board from time to time.



## POLICY COMMITTEE REPORT, CONT'D

- Delegate Structure: In the new constitution, the Church itself is a member and can appoint delegates. The number of delegates is determined by the number of members (see below). It is recommended that churches select members carefully and send in writing the names of their delegate to the board.
- Delegate Members that a Supporting Church may appoint shall be determined by the number of members in good standing of the Supporting Church as follows:

1 - 99 members - 2 Delegate Members

100-499 members - 4 Delegate Members

500-999 members - 8 Delegate Members

1000+ members - 15 Delegate Members

- 2.6 Each Supporting Church may by **written instrument delivered** to the Society appoint up to, but not more than the number of individuals set out in section 2.7 to be Delegate Members of the Society for a fixed or indefinite term and, in the same manner, may terminate such appointment. To be eligible for membership as a Delegate Member, the individual shall:
  - (a) be a member in good standing of the Supporting Church that is appointing the individual as a Delegate Member;
  - (b) signify agreement with an endorsement of the Foundational Statements and the purposes of the Society set out in the constitution; and
  - (c) satisfy such other requirements as determined by the Board from time to time.

Respectfully submitted,

Cameron Friesen



## PERSONNEL COMMITTEE REPORT

“Unity is strength... when there is teamwork and collaboration, wonderful things can be achieved.”

Mattie Stepanek

It takes an incredible team to achieve the many goals that MEI has over this past year. The teachers, staff and administration of MEI truly have a passion for Jesus and a passion for kids. It is a privilege to be a part of this organization and help support the team and its personnel in any way that we can.

This year, the Personnel Committee began to examine its role within the changing structure of MEI. We look forward to carrying on this process in this upcoming year as we strive to further define the best way that this committee can continue to support the administration, staff and all functioning areas of all of three campuses.

As part of protocol, the Committee met with staff representatives from each school including some representatives from support staff. We also had the privilege of attending teacher interviews as representatives of the MEI Board. We are always impressed by the level and quality of the candidates that we have wanting to teach in our schools. As a result, we are blessed to have teachers and staff that strive to honour God in everything that they do.

And to celebrate the end of another successful school year, the Personnel Committee and the MEI Board organized and hosted a year end dinner to celebrate our greatest asset, our people. The evening was awesome and enjoyed by all. Some truly wonderful staff were recognized and together we joyfully celebrated the end of an amazing school year.

Respectfully Submitted,

Mike Borseth  
on behalf of the Personnel Committee



## CHAIRMAN'S REPORT

Life is full of discouraging distractions. Some need our attention, others are just as well ignored. Either way we need to make sure that we don't allow discouragement to draw us away from God's favour.

The book of Nehemiah recounts the rebuilding of the wall around Jerusalem. I love this passage! Nehemiah is passionate about rebuilding the city. Through prayer and fasting, he petitions God to help restore Jerusalem. God hears his plea and sets things in motion. During the construction, the workers are instructed to always be on guard and prepared for battle. With their weapons in one hand and their trowels in the other, they rebuild the wall. Their enemies mock them and naysayers seed discouragement but Nehemiah trusts God and reminds His people of His promises. A planned enemy attack is abandoned due to the steadfast defense of the Jews.

This passage is full of encouragement and, in many ways, I see similarities at MEI. There are threats. There are naysayers and mockers. There are numerous discouragements and distractions. But God has blessed the school and I believe that if we trust Him and rely on His provision things will work out well. We can't be frozen in fear. We must be on guard while continuing our work. God is in control and He has charged us with the task of bringing glory to His name through the provision of Christian education.

The MEI team is dedicated to this task and God is blessing us. We are blessed with great staff. Vijay Manuel has taken his role as Head of Schools and reshaped it for the better. He is leveraging his gifts and we are seeing great results. The leadership team (principals and department heads) have clearly defined goals and the entire organization has a clear vision. Making it happen, day after day, the teachers and support staff are second to none. They pour out the love of God in what they do and are bringing glory to God in doing so.

On behalf of a great group of board members I want to thank the supporting congregations, our extended MEI family and staff for a great year. Your prayers, donations and dedication are building God's kingdom on earth.

Respectfully submitted,

Paul Penner  
MEI Board Chair



## HEAD OF SCHOOLS REPORT

The 2017/2018 school year was an important one for the MEI Schools organization. In the previous year we established a clear direction particularly regarding student learning and spiritual formation. In the spring of 2018, we asked our staff to provide feedback on how we could improve the organization resulting in some extremely valuable feedback. In response, we have established and solidified our reporting structures, assessment and evaluation processes, and created and clarified feedback loops for all staff.

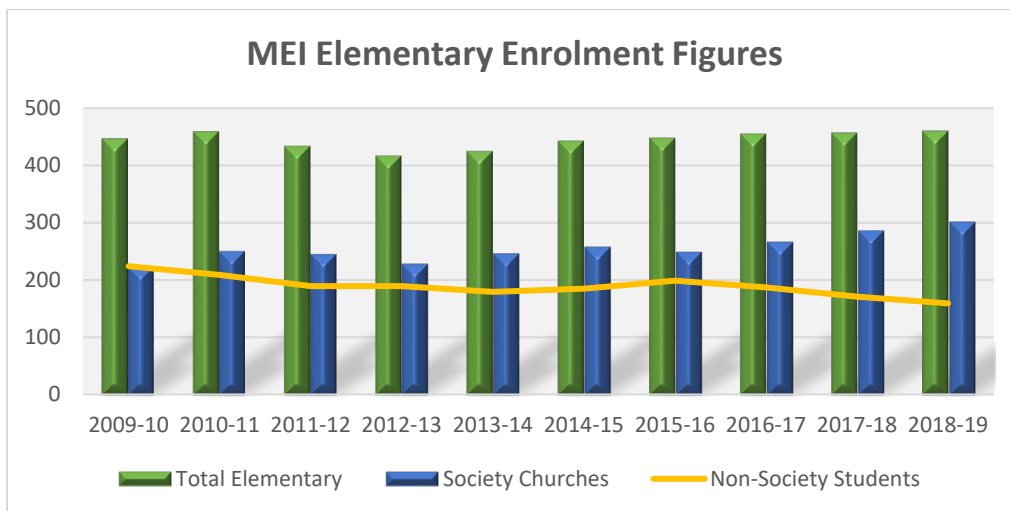
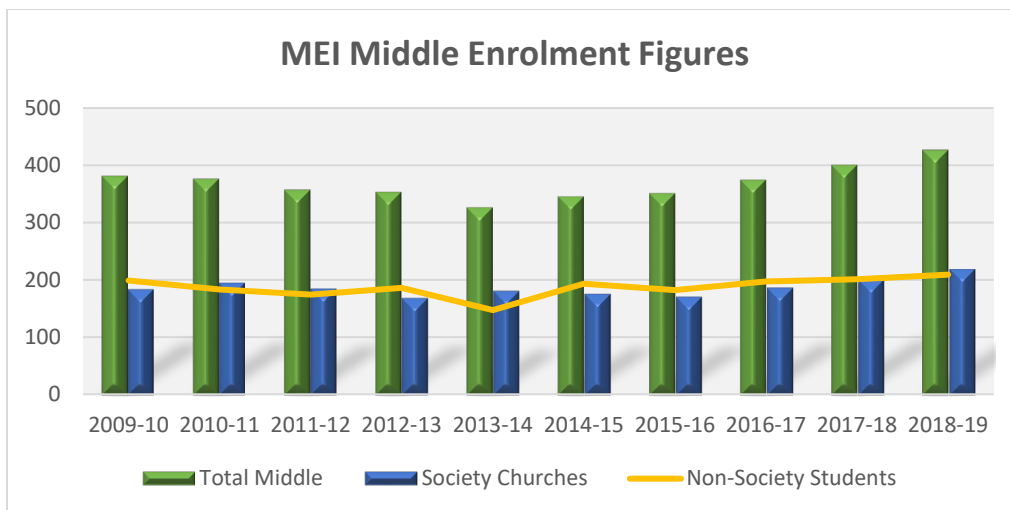
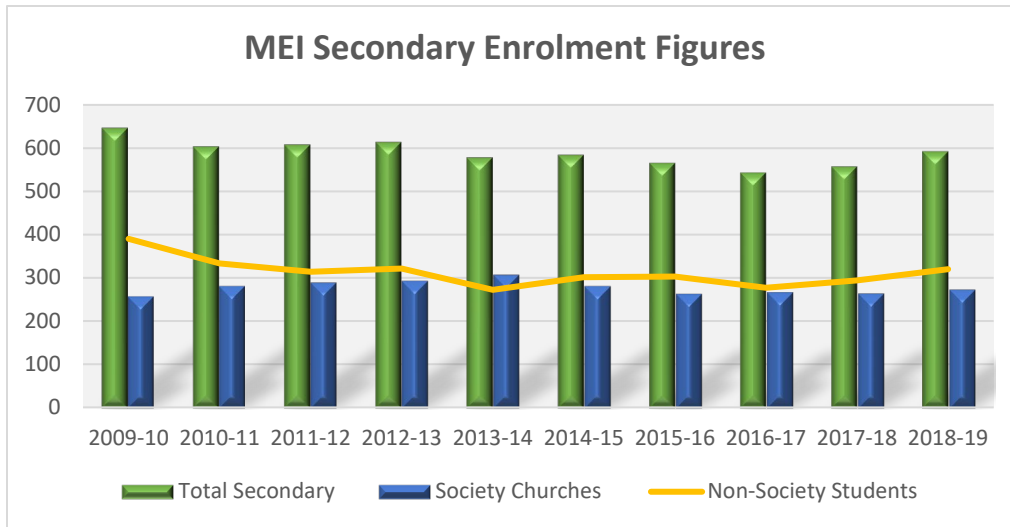
While we will continue to pursue 'An Outstanding Learning Environment for All' as our current 'North Star', we will begin to re-vision our Strategic Plan for the 2019 – 2022 season beginning in January of 2019. I invite you to review the data provided below and our current Strategic Plan (3.0) document that is attached. You will find evidence of the work that has been accomplished in a variety of areas including reports from our Pre K – 12 committee leaders. Registration and financial numbers were extremely strong last year; they are even more promising in the coming school year and for that we give the glory to God. God is with us and we will continue to follow His leading!

I'm very thankful for the MEI Board of Directors, our Member Churches, the MEI Staff, Parents, Students, Colleagues, and the many Friends of MEI in our community. With this exceptional support, we will continue to hold unswervingly to the Bible as our foundation and keep our eyes fixed on Jesus, our living Saviour.

Vijay Manuel  
Head of Schools  
@headofschools

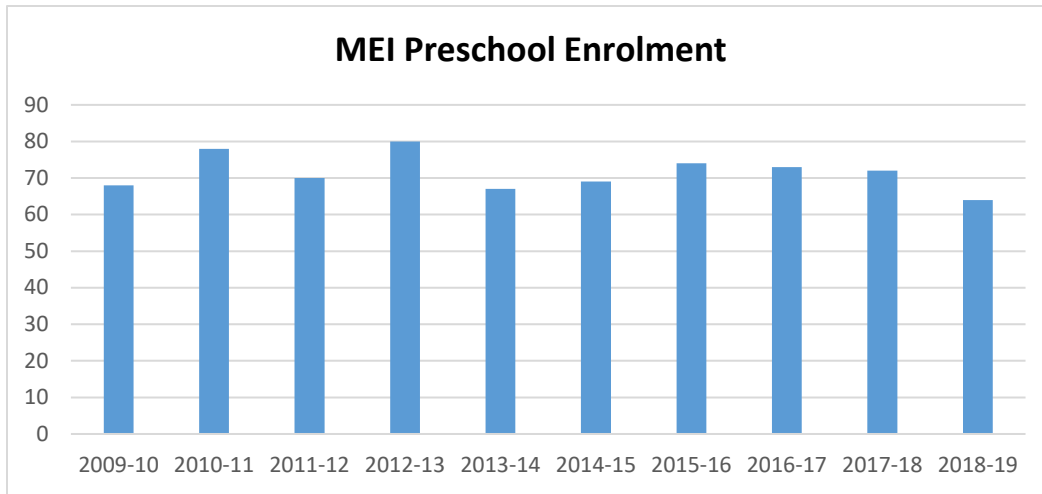


# HEAD OF SCHOOLS REPORT





## HEAD OF SCHOOLS REPORT



### STUDENTS FROM MEI SOCIETY CHURCHES\*

CHURCH	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Abbotsford Community	18	22	25	22	16	12	12	12	10	10
Alderbrook Community	7	13	13	17	16	10	10	16	13	9
Arnold Community	10	15	14	15	15	16	15	16	19	23
Bakerview Church	30	23	24	17	19	23	16	16	11	8
Emmanuel Mennonite	11	12	11	9	6	6	6	6	7	9
King Road Church	38	34	38	38	35	32	30	28	26	30
Mountain Park Community	14	19	18	15	24	19	22	16	17	15
Northview Community	295	375	386	409	438	416	443	470	494	548
Ross Road Community	67	73	72	67	64	57	48	56	49	38
South Abbotsford Church	101	97	79	71	64	60	71	74	97	93
The Life Centre	6	9	8	8	8	7	5	5	4	4
<b>TOTAL</b>	<b>618</b>	<b>723</b>	<b>714</b>	<b>707</b>	<b>729</b>	<b>658</b>	<b>678</b>	<b>715</b>	<b>747</b>	<b>787</b>
<b>% of student body</b>	<b>42%</b>	<b>50%</b>	<b>51%</b>	<b>51%</b>	<b>53%</b>	<b>51%</b>	<b>50%</b>	<b>52%</b>	<b>53%</b>	<b>53%</b>

\* Students are counted by those attending Supporting Society Churches not by member families





## MOTIONS

1. **That the minutes of October 24, 2017 Annual General Meeting be accepted.**
2. **That the 2017-18 Financial Statements be adopted as presented.**
3. **That the Budget for 2018 – 2019 be approved as presented.**
4. **That in accordance with Section 11.1 of the Society Act, Mennonite Educational Institute Society, through its Board of Directors, be authorized to issue debentures.**

**11.1** In order to carry out the purposes of the Society the Board may, by a resolution passed at a meeting of the Board by a majority of not less than 75% of the votes cast by those directors entitled to vote at such meeting, on behalf of and in the name of the Society, borrow, raise or secure the payment or repayment of money in any manner it decides including the granting of guarantees, and in particular, but without limiting the foregoing, by the issue of debentures.
5. **That the Abbotsford firm of KPMG LLP represented by Audit Partner Tim Holloway, CA be appointed as auditors for MEI Schools beginning in the 2018-19 fiscal year for a one-year term.**

**12.3** At each annual general meeting the Society shall appoint an auditor to hold office until he or she is re-elected or his or her successor is elected at the next annual general meeting in accordance with the procedures set out in the *Societies Act*.
6. **That the churches provide support based on 4500 instead of 4700. Churches will pay 2.35% of 4500 instead of 2% of 4700.**

**2.8** Each Supporting Church shall pay, by such date or dates as may be determined by the Board, the annual membership fee for that Supporting Church. The amount of the annual membership fee for each Supporting Church shall be determined by the Board and with reference to the operating budget of the Society.



## MOTIONS

### **SPECIAL RESOLUTION**

**That MEI's constitution be amended to include a non-profit clause as instructed by Canada Revenue Agency to read as follows:**

**16.5** The Society will be carried on without purpose of gain for its members, and any profits or other gains to the Society shall be used in promoting its purposes.

**MENNONITE EDUCATIONAL INSTITUTE SOCIETY**  
(the "Society")  
**SPECIAL RESOLUTION OF MEMBERS**

**WHEREAS** it is considered to be in the best interests of the Society that it amend its Bylaws;

**BE IT RESOLVED THAT:**

1. The existing Bylaws of the Society as filed with the Registrar of Companies as part of the Society's Transition Application filed on December 20, 2017, be cancelled and the form of Bylaws presented to the members at the members meeting on October 23, 2018, be adopted as the Bylaws of the Society in substitution for, and to the exclusion of the existing Bylaws of the Society to be effective as of the date of filing with the Registrar of Companies; and
2. Any one of the officers and directors of the Society is authorized to take all such actions and execute and deliver all such documentation that are necessary or desirable for the implementation of this resolution.

# APPENDIX

- Auditor's Report including Draft Financial Statements ending June 30, 2018
- Proposed Consolidated Budget for 2018 - 2019

*DRAFT* Financial Statements of

# **MENNONITE EDUCATIONAL INSTITUTE SOCIETY**

Year ended June 30, 2018



KPMG LLP  
32575 Simon Avenue  
Abbotsford BC V2T 4W6  
Canada  
Telephone (604) 854-2200  
Fax (604) 853-2756

## INDEPENDENT AUDITORS' REPORT

To the Members of Mennonite Educational Institute Society

### Report on Financial Statements

We have audited the accompanying financial statements of Mennonite Educational Institute Society which comprise the statement of financial position as at June 30, 2018, the statements of operations, changes in fund balances and cash flows for the year then ended, and notes and schedule comprising 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.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mennonite Educational Institute Society as at June 30, 2018 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.

**Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied 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.

***DRAFT***

Chartered Professional Accountants

October 2, 2018  
Abbotsford, Canada

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Statement of Financial Position

**DRAFT**

June 30, 2018, with comparative information for 2017

	General Fund	Capital Asset Fund	Restricted Funds	2018	2017
<b>Assets</b>					
Current assets:					
Cash	\$ 2,663,713	\$ -	\$ 81,526	\$ 2,745,239	\$ 2,766,564
Accounts receivable	-	-	-	-	3,118
GST receivable	25,678	-	-	25,678	26,361
Prepaid expenses	126,116	30,666	8,849	165,631	124,827
	2,815,507	30,666	90,375	2,936,548	2,920,870
Investments (note 2)	-	-	175,358	175,358	187,650
Capital assets (note 3)	-	10,370,826	-	10,370,826	10,411,916
	\$ 2,815,507	\$ 10,401,492	\$ 265,733	\$ 13,482,732	\$ 13,520,436
<b>Liabilities and Fund Balances</b>					
Current liabilities:					
Accounts payable and accrued liabilities (note 4)	\$ 1,597,043	\$ -	\$ 1,118	\$ 1,598,161	\$ 1,959,793
Registration and deposits	908,882	778	490,353	1,400,013	1,489,380
Term loan (note 5)	-	1,460,299	-	1,460,299	140,959
Interfund balance	3,142,608	(182,011)	(2,960,597)	-	-
	5,648,533	1,279,066	(2,469,126)	4,458,473	3,590,132
Term loan (note 5)	-	-	-	-	1,829,609
Fund balances:					
Invested in capital assets	-	9,122,426	-	9,122,426	9,122,426
Externally restricted	-	-	210,540	210,540	237,295
Internally restricted	-	-	2,489,152	2,489,152	1,539,463
Endowment	-	-	35,167	35,167	34,537
Unrestricted	(2,833,026)	-	-	(2,833,026)	(2,833,026)
	(2,833,026)	9,122,426	2,734,859	9,024,259	8,100,695
Contingency (note 7)					
	\$ 2,815,507	\$ 10,401,492	\$ 265,733	\$ 13,482,732	\$ 13,520,436

See accompanying notes to audited financial statements.

On behalf of the Board:

\_\_\_\_\_ Member

\_\_\_\_\_ Member

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

## Statement of Operations

**DRAFT**

June 30, 2018, with comparative information for 2017

	General Fund	Capital Asset Fund	Restricted Funds	2018	2017
(Schedule 1)					
<b>Revenue:</b>					
Tuition	\$ 6,458,937	\$ -	\$ 1,031,969	\$ 7,490,906	\$ 7,492,013
Government grants	6,760,479	-	14,258	6,774,737	6,121,323
Activity fees	318,352	234	1,283,996	1,602,582	1,351,270
Donations	10,750	373,999	151,924	536,673	715,637
Church levies	-	299,466	-	299,466	292,536
Sales	50,012	-	60,905	110,917	107,543
Registration	79,455	-	3,465	82,920	77,045
Rent	513	59,500	-	60,013	68,587
Miscellaneous	18,638	3,700	631	22,969	22,811
	13,697,136	736,899	2,547,148	16,981,183	16,248,765
<b>Expenses:</b>					
Wages and benefits	10,594,575	174,076	558,162	11,326,813	11,049,544
Supplies	600,334	-	663,994	1,264,328	1,142,647
Amortization of capital assets	-	729,053	-	729,053	671,690
Travel and fieldtrips	135,458	208	529,916	665,582	562,961
Maintenance and repairs	401,595	-	555	402,150	380,139
Homestay fees	27,025	-	303,620	330,645	426,321
Utilities	220,834	6,870	1,063	228,767	237,247
Interest and fees	120,640	58,600	-	179,240	179,822
Office supplies	118,858	9,290	3,489	131,637	121,220
Membership fees	96,121	13,304	9,644	119,069	101,159
Vehicles	113,477	-	-	113,477	125,621
Insurance	101,671	-	-	101,671	98,594
Textbooks	93,025	-	-	93,025	88,248
Telephone	61,347	-	2,620	63,967	58,819
Custodial	55,561	-	-	55,561	46,156
Marketing and promotion	8,089	39,853	4,254	52,196	46,212
Donations	11,150	-	33,513	44,663	13,557
Yearbook	38,822	-	-	38,822	41,996
Student assistance	35,771	-	-	35,771	28,763
Professional fees	33,486	-	-	33,486	40,780
Fundraising	-	27,802	-	27,802	15,615
Scholarships	-	-	24,975	24,975	38,940
Bad debts (recovery)	192	-	-	192	(4,455)
	12,868,031	1,059,056	2,135,805	16,062,892	15,511,596
Excess (deficiency) of revenue over expenses from operations	829,105	(322,157)	411,343	918,291	737,169
<b>Other income (expenses):</b>					
Unrealized gain (loss) on investments held	-	-	4,577	4,577	11,152
Gain on sale of capital assets	-	696	-	696	-
	-	696	4,577	5,273	11,152
Excess (deficiency) of revenue over expenses	\$ 829,105	\$ (321,461)	\$ 415,920	\$ 923,564	\$ 748,321

See accompanying notes to audited financial statements.



# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

## Statement of Changes in Fund Balances

**DRAFT**

Year ended June 30, 2018, with comparative information for 2017

	General Fund	Capital Asset Fund	Restricted Funds	2018	2017
Fund balances, beginning of year	\$ (2,833,026)	\$ 9,122,426	\$ 1,811,295	\$ 8,100,695	\$ 7,352,374
Excess (deficiency) of revenue over expenses	829,105	(321,461)	415,920	923,564	748,321
Interfund transfers during the year (note 8)	(829,105)	321,461	507,644	-	-
Fund balances, end of year	\$ (2,833,026)	\$ 9,122,426	\$ 2,734,859	\$ 9,024,259	\$ 8,100,695

See accompanying notes to audited financial statements.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Statement of Cash Flows

**DRAFT**

Year ended June 30, 2018, with comparative information for 2017

	General Fund	Capital Asset Fund	Restricted Funds	2018	2017
Cash provided by (used in):					
Operations:					
Excess (deficiency) of revenue over expenses	\$ 829,105	\$ (321,461)	\$ 415,920	\$ 923,564	\$ 748,321
Item not involving cash:					
Amortization of capital assets	-	729,053	-	729,053	671,690
Gain on sale of capital assets	-	696	-	696	-
Unrealized gain on investments	-	-	(4,577)	(4,577)	(11,152)
Interfund balance	440,261	463,994	(904,255)	-	-
	1,269,366	872,282	(492,912)	1,648,736	1,408,859
Change in non-cash operating working capital:					
Accounts receivable	3,118	-	-	3,118	(249)
GST receivable	683	-	-	683	(828)
Prepaid expenses	(38,276)	4,537	(7,065)	(40,804)	2,048
Accounts payable and accrued liabilities	(361,712)	-	80	(361,632)	219,758
Registration and deposits	(50,046)	648	(39,969)	(89,367)	(74,723)
	823,133	877,467	(539,866)	1,153,549	1,554,865
Financing:					
Decrease in term loan	-	(510,269)	-	(510,269)	(135,719)
Investing:					
Proceeds from investments	-	-	17,500	17,500	-
Contribution to investments	-	-	(631)	(631)	(2,802)
Purchase of capital assets	-	(687,963)	-	(687,963)	(420,830)
Proceeds on sale of capital assets	-	(696)	-	(696)	-
Interfund transfers during the year (note 8)	(829,105)	321,461	507,644	-	-
	(829,105)	(367,198)	524,513	(671,790)	(423,632)
Increase (decrease) in cash	(5,972)	-	(15,353)	(21,325)	995,514
Cash, beginning of year	2,669,685	-	96,879	2,766,564	1,771,050
Cash, end of year	\$ 2,663,713	\$ -	\$ 81,526	\$ 2,745,239	\$ 2,766,564

See accompanying notes to audited financial statements.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements

**DRAFT**

Year ended June 30, 2018

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## **Nature of operations:**

Mennonite Educational Institute Society (the "Society") is incorporated as a non-profit society under the Societies Act (British Columbia). The Society is governed by a Board of Directors appointed by local member churches and is tax exempt as a registered charitable organization under the Income Tax Act (Canada).

The purpose of the Society is to operate three Christian schools to provide religious instruction in accordance with the Mennonite faith, in addition to the curriculum prescribed by the Ministry of Education of the Province of British Columbia.

The mission of the Society, in cooperation with the home and supporting churches, is to equip young people to live a life of excellence through service to God's kingdom and society as faithful disciples of Christ.

## **1. Significant accounting policies:**

### (a) Basis of presentation:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

### (b) Fund accounting:

The Society follows the restricted fund method of accounting for contributions and presents its financial statements under the following funds:

- (i) The General Fund accounts for assets, liabilities, revenue and expenses relating to the education-related operations of the Society. This fund reports unrestricted resources which are available for general purpose uses.
- (ii) The Capital Asset Fund accounts for assets, liabilities, revenue, and expenses related to the Society's capital assets and related debt.
- (iii) The Restricted Fund accounts for funds externally restricted by donors, including endowments, and funds internally restricted by the board of directors for specific programs and future projects of the Society.

To meet the objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded in the statement of operations and changes in net assets and are as detailed in note 8.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

Restricted contributions are recognized as revenue of the appropriate restricted fund in the year received. Restricted contributions related to general operations or for which no restricted fund exists are deferred and recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Tuition and government grants are recognized as revenue of the General Fund over the period for which the tuition and government grants are provided for.

Tuition revenue is recognized in the year to which the tuition relates. Tuition fees received prior to June 30 for the coming year are deferred as registration and deposits and recognized as revenue in the period to which the fees relate.

Rent is recognized when the premises are occupied. Activity fees are recognized when invoiced.

Church levies are recognized in the month they are earned.

Investment income on resources of the restricted fund is recognized as revenue of the individual restricted funds on a prorated basis when earned.

Volunteers contribute a significant amount of time each year to assist the Society in fundraising and carrying out its programs and services. Because of the difficulty of determining their value, contributed services of volunteers are not recognized in these financial statements.

### (d) Allocation of expenses:

Expenses allocated to the general fund are directly related to the education of the students. Expenses allocated to the capital asset fund are related to the capital assets, term loans, and the development and marketing department which is responsible for maintaining the connection with the supporting churches and developing the donor base. Expenses allocated to the restricted funds include expenses incurred in connection with the restricted funds.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 1. Significant accounting policies (continued):

### (e) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method and the following annual rates:

Asset	Rate
Buildings	40 years
Furniture and fixtures	15 years
Vehicles	5 years
Computer	5 years
Computer software	5 years
Signs	15 years
Portable classrooms	5 years

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When a capital asset no longer contributes to the Society's ability to provide service, its carrying amount is written down to its residual value, if any.

### (f) Accounts payable and accrued liabilities:

Twelve-month teaching contracts begin annually September 1st and accounts payable and accrued liabilities includes the two-month payroll liability for services fully performed during the academic year but paid after year end.

### (g) Employee future benefits:

The Society contributes to a defined contribution registered pension plan and, accordingly, contributions are expensed as incurred.

### (h) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the year. Significant areas requiring management estimates include the carrying amount of capital assets and accrued liabilities. Actual results could differ from those estimates.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 1. Significant accounting policies (continued):

### (i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has elected to carry investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

**DRAFT**

Year ended June 30, 2018

## 2. Investments:

	2018	2017
Manulife mutual funds	\$ 136,265	\$ 149,188
RBC Dominion Securities mutual funds	39,093	38,462
	<u>\$ 175,358</u>	<u>\$ 187,650</u>

## 3. Capital assets:

	2018		2017	
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,408,951	\$ -	\$ 1,408,951	\$ 1,408,951
Buildings	15,753,992	7,721,600	8,032,392	8,246,860
Furniture and fixtures	2,072,625	1,709,773	362,852	303,803
Vehicles	761,671	573,083	188,588	117,745
Computer	1,841,865	1,489,605	352,260	296,705
Computer software	174,899	174,499	400	11,458
Signs	104,924	79,541	25,383	26,394
Portable classrooms	183,195	183,195	-	-
	<u>\$ 22,302,122</u>	<u>\$ 11,931,296</u>	<u>\$ 10,370,826</u>	<u>\$ 10,411,916</u>

## 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$75,137 (2017 - \$75,798), which includes amounts payable for payroll related taxes.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

## 5. Term loan:

	2018	2017
Royal Bank of Canada non-revolving term loan bearing interest at 3.15 % per annum and repayable in monthly blended payments of \$16,750; due December 3, 2018	\$ 1,460,299	\$ 1,970,568
	1,460,299	1,970,568
Less: current portion	(1,460,299)	(140,959)
	\$ -	\$ 1,829,609

The Society also has additional credit and other facilities with the Royal Bank of Canada as follows:

- A revolving demand loan is available for up to \$1,675,000 (2017 - \$1,675,000) at Royal Bank Prime rate plus 0.75%. The outstanding balance of the loan at June 30, 2018 was nil (2017 - nil).
- A letter of guarantee in favour of the City of Abbotsford, in the amount of \$321,667 (2017 - \$321,667), in relation to possible property development (note 7).
- The Society has an available Visa business account in the amount of \$300,000 (2017 - \$245,000).

The facilities are secured by a general security agreement providing a floating charge on land, a first floating charge on all present and after-acquired real property, and first ranking security interest in all personal property; a collateral mortgage in the amount of \$10,000,000 constituting a first fixed charge on the lands and improvements at 31638 and 31655 Downes Road, Abbotsford, BC; a first assignment of fire and other perils insurance.

As a condition of the term loan the Society is required to comply with certain financial covenants. As at June 30, 2018 the Society was in compliance with the required financial covenants.



# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 5. Term loan (continued):

Assuming the term loan is renewed on similar terms, scheduled principal repayments are as follows:

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2019	\$	157,276
2020		162,302
2021		167,489
2022		172,842
2023		178,366
Thereafter		622,024
		<hr/>
	\$	1,460,299

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## 6. Employee future benefits:

The Society makes a defined contribution to a registered pension plan. Employee contributions to the plan are matched by the Society. Employees have discretion to invest contributions within the investment options provided in the plan. Employer contributions are fully vested after one year. During the year the Society contributed \$464,934 (2017 - \$452,518) to the pension plan. There is no past service liability with respect to this plan.

## 7. Contingency:

The Society is exposed to a contingent liability of \$321,667 (2017 - \$321,667) to the City of Abbotsford (the "City"), for the installation of works necessary to serve the proposed development of lands owned by the Society. The contingent liability amount is based on a development agreement between the Society and the City dated April 15, 2010. The Society has not accrued this amount as of June 30, 2018.

The Society has a letter of guarantee in favour of the City through its Royal Bank of Canada credit facilities (note 5).

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 8. Interfund transfers:

### 2018

During the year the following interfund transfers occurred:

- \$266,008 transferred from the Short term International Fund to the Capital Fund to cover loss within Capital Fund;
- \$8,141 loss transferred from the Extracurricular Fund to the General Fund;
- \$16,417 transferred from the General Fund to the following Restricted Funds; \$9,123 to the Extracurricular Fund, \$1,000 to the Scholarship Fund and \$6,294 to the Projects Fund;
- \$38,025 transferred from the General Fund to the Projects Fund;
- \$14,810 transferred from the Preschool Fund to the General Fund;
- \$752,074 transferred from the General Fund to the Capital / Debt Reduction Reserve Fund;
- \$29,258 transferred from the General Fund to the Capital Fund; and
- \$26,196 transferred to the Capital fund from the following Restricted Funds; \$20,814 from the Projects Fund and \$5,381 from the Extracurricular Fund.

### 2017

During the year the following interfund transfers occurred:

- \$344,848 transferred from the Short term International Fund to Capital to cover loss within Capital Fund;
- \$32,232 transferred to the Capital fund from the following Restricted Funds; \$25,118 from the Projects Fund, \$4,066 from the Extracurricular Fund and \$3,048 from the Short term International Fund;
- \$32,371 transferred to the Capital fund from the following funds; \$27,371 from the General Fund and \$5,000 from the Projects Fund;
- \$10,540 transferred from the Preschool Fund to the General Fund;
- \$22,008 transferred from the General Fund to the following Restricted Funds; \$17,009 to the Extracurricular Fund and \$5,000 to the Projects Fund;
- \$22,421 transferred from the General Fund to the Hockey Fund;
- \$3,000 transferred from the General Fund to the Scholarship Fund;
- \$669,275 transferred from the General Fund to the following Restricted Funds; \$446,184 to the Capital/Debt Reduction Reserve Fund and \$223,092 to the Wage Reserve Fund;
- \$214,311 transferred from the Capital Fund to the General Fund; and
- \$138,444 transferred from the General Fund to the following Restricted Funds; \$92,295 to the Capital/Debt Reduction Reserve Fund and \$46,148 to the Wage Reserve Fund.

Unless otherwise specified, the above transfers occurred for the payment of future qualified expenditures.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

Notes to Financial Statements (continued)

*DRAFT*

Year ended June 30, 2018

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## 9. Director, employee and contractor remuneration:

For the fiscal year ending June 30, 2018 the Society paid total remuneration of \$1,127,587 to 10 employees for services, each of whom received total annual remuneration of \$75,000 or greater.

## 10. Financial risks:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to accounts receivable and investments. The Society assesses, on a continuous basis, accounts receivable and investments and provides for amounts, if any, that are not collectible through an allowance for doubtful accounts or provision against investments.

### (b) Liquidity risk:

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with financial liabilities. The Society manages liquidity risk by maintaining adequate cash and available credit facilities with its banking provider.

### (c) Interest rate risk:

The Society is exposed to interest rate risk on its floating interest rate and fixed interest rate financial instruments. Fixed rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to cash flow risk. Further details about the investments are included in note 2 and the fixed interest rate term loan in note 5.

There has been no change in these risks from the prior year.

## 11. Economic dependence:

The Society is dependent on the Province of British Columbia to fund a significant portion of its operations. During the year the Society received education grants equal to 49% (2017 - 47%) of its General Fund revenue.

## 12. Comparative figures:

Certain comparative figures have been reclassified, where applicable, to conform with the current period financial statement presentation.

# MENNONITE EDUCATIONAL INSTITUTE SOCIETY

*DRAFT* Schedule of Restricted Funds

Schedule 1

Year ended June 30, 2018, with comparative information for June 30, 2017

2018	Extracurricular Fund	Missions Fund	Scholarships Fund	Projects Fund	Hockey Fund	Short-term International Fund	Preschool Fund	Endowment Fund	Wage Reserve	Capital Debt	Total
Fund balance - beginning of year	\$ 110,914	\$ 49,439	\$ 212,298	\$ 184,502	\$ 12,413	\$ -	\$ -	\$ 34,537	\$ 545,930	\$ 661,262	\$ 1,811,295
Revenue	606,301	131,817	22,453	343,022	210,213	1,110,070	127,218	631	-	-	2,551,725
Expenses	(603,333)	(161,563)	(24,976)	(277,335)	(220,235)	(735,955)	(112,408)	-	-	-	(2,135,805)
Excess (deficiency) of revenue over expenses	2,968	(29,746)	(2,523)	65,687	(10,022)	374,115	14,810	631	-	-	415,920
Interfund transfers	11,882	(2,187)	1,000	53,606	-	(374,115)	(14,810)	-	-	832,268	507,644
Fund balance, end of year	\$ 125,764	\$ 17,506	\$ 210,775	\$ 303,795	\$ 2,391	\$ -	\$ -	\$ 35,168	\$ 545,930	\$ 1,493,530	\$ 2,734,859

2017	Extracurricular Fund	Missions Fund	Scholarships Fund	Projects Fund	Hockey Fund	Short-term International Fund	Preschool Fund	Endowment Fund	Wage Reserve	Capital Debt	Total
Fund balance - beginning of year	\$ 73,822	\$ 29,032	\$ 206,391	\$ 166,413	\$ 15,147	\$ -	\$ -	\$ 34,250	\$ 276,690	\$ 122,783	\$ 924,528
Revenue	448,165	220,962	41,086	292,451	162,823	1,254,035	113,491	287	-	-	2,533,300
Expenses	(415,837)	(200,555)	(38,179)	(292,855)	(187,978)	(870,708)	(102,951)	-	-	-	(2,109,063)
Excess (deficiency) of revenue over expenses	32,328	20,407	2,907	(404)	(25,155)	383,327	10,540	287	-	-	424,237
Interfund transfers	4,764	-	3,000	18,493	22,421	(383,327)	(10,540)	-	269,240	538,479	462,530
Fund balance, end of year	\$ 110,914	\$ 49,439	\$ 212,298	\$ 184,502	\$ 12,413	\$ -	\$ -	\$ 34,537	\$ 545,930	\$ 661,262	\$ 1,811,295



MENNONITE EDUCATIONAL INSTITUTE SOCIETY  
2018 - 2019 Consolidated Budget

**DRAFT**

	Budget Total %	2018-2019 TOTAL Budget	2017-2018 TOTAL Budget	Current to Prior Year Change \$ %		Operations w/o Long Term Budget	Long Term International Budget	TOTAL Operations FUND Budget	Capital FUND Budget	Short Term International Budget
<b>REVENUE</b>										
Domestic Tuition	38.0%	6,071,765	5,635,943	435,822	8%	6,071,765		6,071,765		
Foreign Tuition	10.3%	1,641,200	1,674,500	(33,300)	-2%		686,500	686,500		954,700
Government Grant	37.7%	6,029,522	5,566,077	463,445	8%	6,029,522		6,029,522		
Special Needs Grant	6.5%	1,031,430	962,850	68,580	7%	1,031,430		1,031,430		
Donations	2.3%	360,000	360,000	0	0%	10,000		10,000	350,000	
Church Levies	1.8%	292,300	295,000	(2,700)	-1%				292,300	
Miscellaneous Fees	2.1%	338,636	339,515	(879)	0%	225,136	113,500	338,636		
Miscellaneous Sales	0.5%	75,248	69,236	6,012	9%	73,748		73,748		1,500
Registration	0.5%	78,000	74,500	3,500	5%	78,000		78,000		
Rent	0.4%	65,000	55,000	10,000	18%				65,000	
	100.0%	15,983,101	15,032,621	950,480	6.3%	13,519,601	800,000	14,319,601	707,300	956,200
<b>EXPENSES</b>										
Wages & Benefits	74.3%	11,867,467	11,229,433	638,034	6%	11,214,065	206,109	11,420,174	173,628	273,665
Subcontract	0.3%	46,500	101,232	(54,732)	-54%	46,500		46,500		
Depreciation	4.8%	765,000	700,000	65,000	9%				765,000	
Property tax	0.0%	7,200	6,000	1,200	20%				7,200	
Fund Raising	0.2%	39,000	39,000	0	0%				39,000	
Facility Assessments	0.5%	75,000	25,000	50,000	200%				75,000	
Marketing & Enrolment	0.3%	49,000	49,000	0	0%				49,000	
Accounting & Legal	0.4%	57,000	50,000	7,000	14%	57,000		57,000		
Travel & Fieldtrips	1.5%	232,606	226,785	5,821	3%	87,106	51,000	138,106		94,500
Homestay Payments	1.7%	277,000	275,000	2,000	1%		27,000	27,000		250,000
Vehicle	1.0%	154,000	137,500	16,500	12%	154,000		154,000		
Dues & Fees	0.7%	111,600	81,850	29,750	36%	107,600	4,000	111,600		
Insurance	0.7%	110,000	110,000	0	0%	110,000		110,000		
Interest & Fees	1.3%	210,200	213,200	(3,000)	-1%	140,200		140,200	70,000	
Student Assistance	0.3%	50,000	50,000	0	0%	50,000		50,000		
Bad Debts	0.1%	13,500	15,000	(1,500)	-10%	10,000	3,500	13,500		
Telephone & internet	0.5%	73,000	72,000	1,000	1%	67,000	3,000	70,000		3,000
School Supplies	5.4%	859,396	814,045	45,351	6%	722,046	96,350	818,396		41,000
Office Supplies	0.8%	129,100	122,900	6,200	5%	118,600	7,000	125,600		3,500
Custodial	0.3%	55,000	51,000	4,000	8%	55,000		55,000		
Maintenance & Repairs	2.8%	446,750	398,600	48,150	12%	446,750		446,750		
Information Technology	0.5%	78,500	65,000	13,500	21%	78,500		78,500		
Utilities	1.4%	228,884	224,940	3,944	2%	228,884		228,884		
	99.7%	15,935,703	15,057,485	878,218	5.8%	13,693,251	397,959	14,091,210	1,178,828	665,665
<b>EXCESS OF REVENUE (EXPENSES)</b>	0.3%	47,398	(24,864)	72,262	-291%	(173,650)	402,041	228,391	(471,528)	290,535
Restricted Surplus		90,000	145,000	(55,000)	-38%					
Consolidated Net Total		137,398	120,136	17,262	14%					