Agenda – Council – September 24, 2014

Report – Standing Policy Committee on Property and Development – September 16, 2014

Item No. 26 Renewal of Lease Agreement to Allow for the Use of a Building and City-Owned Lands at 410 Desalaberry Avenue for the Purpose of Operating a School of Grades Kindergarten through Nine (9)

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the proposed terms and conditions attached as Schedule "A" for a Lease Agreement in favour of Alhijra Islamic Foundation Inc. (hereinafter referred to as the "Lessee") for the purpose of operating an Islamic school encompassing Kindergarten through Grade 9 and identified as "Proposed Leased Area" on Misc. Plan 11376/4 be approved. (hereinafter referred to as the "Lands")

2. That the City enter into a Lease Agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing.

3. That the authority be delegated to the Director of Planning, Property & Development to negotiate and approve the final terms and conditions of the Lease Agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services, in accordance with the terms and conditions set forth in Schedule "A" and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development – September 16, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 17, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On September 16, 2014, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **Renewal of Lease Agreement to Allow for the Use of a Building and City-Owned Lands at 410 Desalaberry Avenue for the Purpose of Operating a School of Grades Kindergarten through Nine (9)**

Critical Path: **Standing Policy Committee on Property and Development, Executive Policy Committee, Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	B. Thorgrimson	n/a	D. Joshi A/CAO

RECOMMENDATIONS

1. That the proposed terms and conditions attached as Schedule "A" for a Lease Agreement in favour of Alhijra Islamic Foundation Inc. (hereinafter referred to as the "Lessee") for the purpose of operating an Islamic school encompassing Kindergarten through Grade 9 and identified as "Proposed Leased Area" on Misc. Plan 11376/4 be approved. (hereinafter referred to as the "Lands")

2. That the City enter into a Lease Agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing.

3. That the authority be delegated to the Director of Planning, Property & Development to negotiate and approve the final terms and conditions of the Lease Agreement and such other agreements as determined necessary by the City Solicitor/Director of Legal Services, in accordance with the terms and conditions set forth in Schedule "A" and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

In accordance with the Council Order of July 18, 1979, the Standing Policy Committee on Property and Development shall authorize the leasing or rental of City property for which the Director of Planning, Property and Development has no authority.

In this regard, the Planning, Property and Development has negotiated the proposed terms and conditions of a Lease Agreement as set out in attached Schedule A in favour of Alhijra Islamic Foundation Inc. for the of use City-owned lands and building located at 410 Desalaberry Avenue and identified as "Proposed Lease Area" on attached Miscellaneous. Plan No. 11376/4.

IMPLICATIONS OF THE RECOMMENDATIONS

The Department has determined that there are no general, policy, regulatory, environmental or human resource implications to entering into a Lease Agreement shown on the attached Miscellaneous Plans No. 11376/4.

The proposed lease is for a term of twenty-five (25) years with an extension option of twenty-five (25) years. This was sought by the Alhijra Islamic Foundation Inc. for the purposes of enhancing the long-term viability of the facility within the community.

As per the direction of the City's Risk Management Branch, under the terms of the new lease Alhijra Islamic Foundation Inc. will be responsible for the costs of insuring not only its occupation of the building and surrounding property but also for insuring the building itself. This is being made common practice when a building is occupied by one Tenant.

Concerns were raised by the Urban Design Division regarding any future developments and the possible effects on the riverbank, in both its stability and also how additional development could affect access to the lower portions of the bank for future maintenance. It was agreed that these concerns would best receive individualized attention and oversight through the permit application process should any future developments on the site proceed.

HISTORY

Aljira Islamic Foundation Inc. founded Alhjira Islamic School in 1996.

In 2004, the City entered into a lease with the Alhijra Islamic Foundation Inc. for the City owned lands at 410 Desalaberry Avenue, of which the school is still located at present. This lease is still currently in place.

The Tenant has invested over $800,000.00 into the property since entering into the lease on items such as roof replacement, installation of a fire suppression system, replacement of the heating system as well as flooring throughout the building, and the augmentation of the facility to allow for the construction of two (2) additional classrooms.

The school has an enrollment of two hundred and thirty (230) children from Kindergarten to Grade 9.

The Tenant inquired as to the possibility of negotiating a lease equipped with a much longer term in the hopes of securing funding for future projects, namely a gymnasium.

The application was circulated to applicable City departments and public utilities for consideration and comments. All comments and concerns have been incorporated into the signed terms and conditions.

The Risk Management Division of Corporate Finance reviewed the insurance requirements for this proposed lease and their comments have been incorporated into the terms and conditions.

The Planning, Property and Development Department has negotiated proposed terms and conditions of a Lease Agreement in favour of Alhijra Islamic Foundation Inc.

This report seeks approval of the Proposed Lease Agreement as negotiated.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 22, 2014

Project Name: **First Year of Program** **2015**

Proposed Lease Agreement to Allow for the Use of a Building and City-Owned Lands at 410 Desalaberry Avenue for the Purpose of Operating a School Grades Kindergarten through Nine (9)

	2015	2016	2017	2018	2019
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	250	250	250	250	250
Net Cost/(Benefit)	$ (250)	$ (250)	$ (250)	$ (250)	$ (250)
Less: Existing Budget Amounts	(250)	(250)	(250)	(250)	(250)
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: :Revenues from 2015 to 2019 consist of the annual admin fee of $250.

original signed by

Joseph Chammartin, CGA
Acting Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

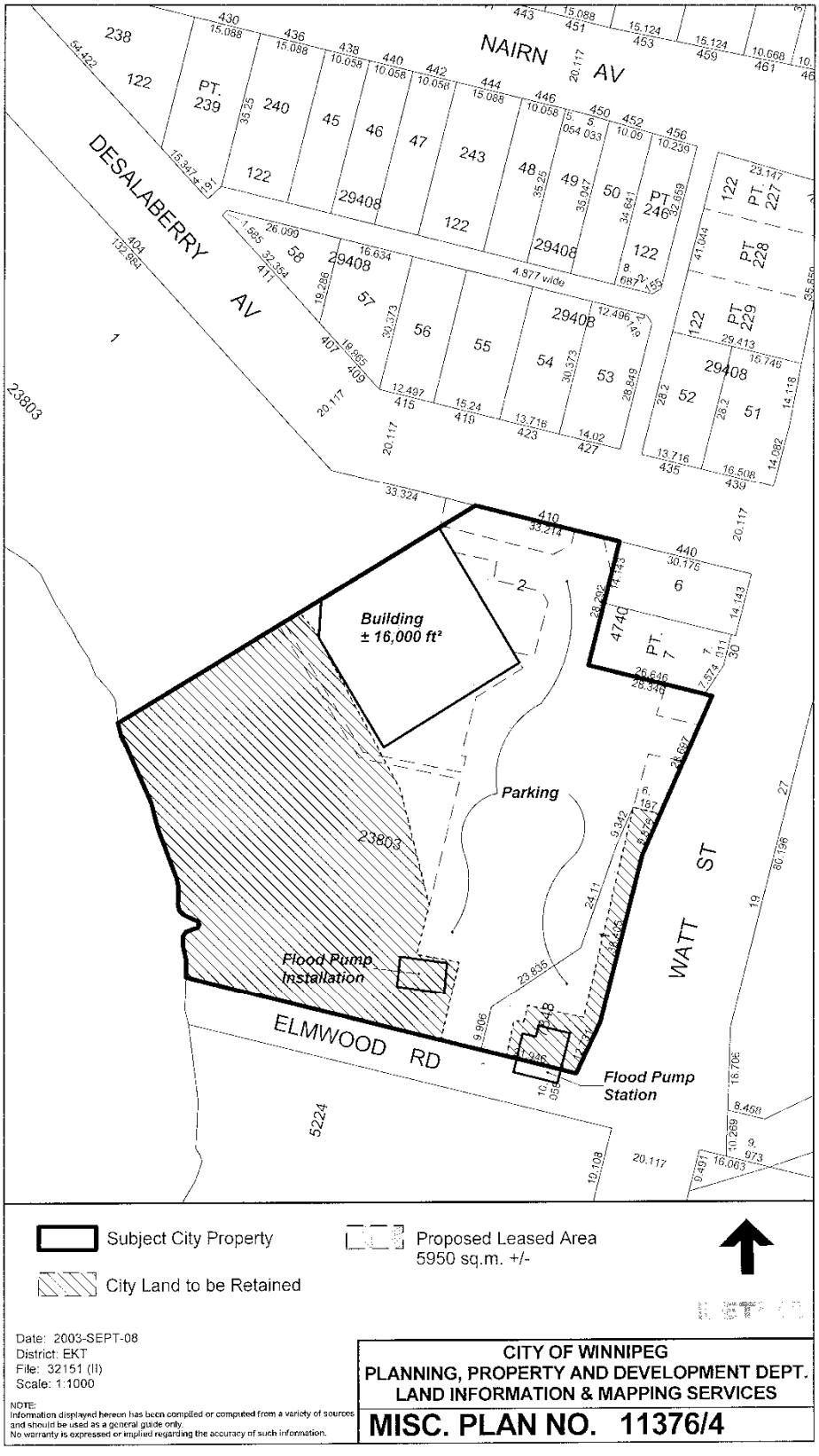
Legal Services Department as to legal issues
Risk Management, Corporate Finance

SUBMITTED BY

Department	Planning, Property and Development
Division	Municipal Accommodations
Prepared by:	Nolan Winters
Date:	September 12, 2014
File No.:	MA2014-156

Property Management File No: 32/151

O:\Reports Directive\Municipal Accommodations\Leases\2014\MA2014-156 Proposed Lease Agreement for Use of a Building and City-owned Lands for Operating a School Grades K-9 - 410 Desalaberry Ave.docx


NAIRN AV
DESALABERRY AV
ELMWOOD RD
WATT ST
Building
± 16,000 ft²
Parking
Flood Pump
Installation
Flood Pump
Station
23803
5224
Subject City Property
City Land to be Retained
Proposed Leased Area
5950 sq.m. +/-
Date: 2003-SEPT-08
District: EKT
File: 32151 (II)
Scale: 1:1000
NOTE:
Information displayed hereon has been compiled or computed from a variety of sources and should be used as a general guide only.
No warranty is expressed or implied regarding the accuracy of such information.
CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11376/4

SCHEDULE A

PROPOSED TERMS AND CONDITIONS
ALHIJRA ISLAMIC FOUNDATION INC.

City:	1. City of Winnipeg
Tenant:	2. Alhijra Islamic Foundation Inc.
Leased Area:	3. A portion of City-owned land in addition to a building located at 410 Desalaberry Avenue as shown on the attached Miscellaneous Plan 11376/4 identified as "Proposed Lease Area" and herein after referred to as "Leased Area".
Use:	4. For the purpose of operating a school grades kindergarten through and including grade twelve (12) only, and not for any other purpose unless written consent of the Director of the Planning, Property and Development Department has been provided;
Term:	5. Twenty-five (25) years, commencing on January 1, 2015 and ending December 31, 2040.
Rent:	6. $1.00 per annum plus GST payable on the commencement date and the anniversary of the commencement date in each year of the Term thereafter.
Renewal:	7. One (1) twenty-five (25) year option to renew on the same terms and conditions.
Admin Fee:	8. Annual fee of $250.00 plus GST payable on the commencement date and the anniversary of the commencement date in each year of the Term thereafter.
Realty Taxes:	9. Tenant is responsible for all realty taxes, municipal taxes, school taxes, local improvements, license fees, business tax, etc. of which may be charged in respect of the use and occupation of the subject property.
	10. The Tenant is entitled to make application to the City pursuant to the provisions of *The Municipal Assessment Act* of Manitoba and City of Winnipeg Community Groups Occupying City-Owned Facilities Bylaw No. 89/2005, and if they meet the criteria set forth in the By-law and such application is granted and the resulting proposed amendment to the herein mentioned Bylaw is approved, the Leased Area will be exempt from real property taxes and school taxes levied by the City as of the date of such By-law approval. The By-law amendment for the Tenant

was approved on April 27, 2005. In the event that the Leased Area lose their exemption thereafter from real property taxes and/or school taxes levied by the City, the Lessee shall, in accordance with the provisions of sub-paragraph (a), pay such real property taxes and/or school taxes levied by the City which are no longer exempt.

Other Fees, Licenses, Taxes etc:

11. All other license fees, business tax, levies, etc. which may be charged in respect of the use and occupation of the Leased Area.

Insurance:

12. The Tenant shall provide and maintain the following insurance coverage at all times for the duration of the contract:

13. Commercial general liability policy, including but not limited to the following:

    (a) City is to be named as additional insured;

    (b) Policy must contain a cross liability clause, products and completed operations, contractual liability, bodily injury and property damage;

    (c) The policy must provide for minimum limits of $2,000,000 all inclusive, including the Tenants legal liability. If the tenant shall serve or sell liquor the minimum limit required will be five million ($5,000,000() and include host liquor liability;

14. An "all risks" property insurance policy for full replacement cost (without deduction for depreciation) insuring all buildings, contents and Tenant's improvements. Such policy shall name the City as a Loss Payable with respect to the building;

15. An equipment breakdown insurance policy, for the full replacement cost of the facility including all boilers, pressure vessels (fired and unfired), air-conditioning equipment, mechanical and electrical equipment, transformers, electrical switch gears, motors, compressors, refrigeration equipment and miscellaneous electrical apparatus owned or operated by the Landlord plus the value of the Tenants contents;

16. Automobile liability insurance for owned and non-owned automobiles used for or in connection with the Lease in the amount of at least two million dollars ($2,000,000) to remain in place at all times during the full term of the Lease Agreement, such

insurance may be met through the general liability cover where applicable;

17. The Tenant shall not cancel, materially change or cause any such policy or policies to lapse without a minimum of fifteen (15) days prior written notice to the City.

18. All property policies written on behalf of the Tenant shall contain a waiver of subrogation rights which the Tenant's insurers may have against the City and against those for whom the City is, in law, responsible, whether any such damage is caused by the act, omission or fault of the City or by those for whom the City is, in law, responsible;

19. Loss, if any, shall be payable to the City as their interests may appear for both the property and equipment breakdown insurance coverage;

20. Deductibles shall be borne by the Tenant;

21. The Tenant shall file with the City a certificate of insurance in a form satisfactory to the City Solicitor;

22. The City shall have the right to alter the limits and/or coverages as required from time to time during the continuance of this Agreement;

23. Should the Tenant, during the term of this lease agreement, apply to the Director of PP&D and receive approval for an addition and/or renovations to the existing structure they are required to provide and maintain or ensure that the Contractor provides and maintains the following insurance until total performance of the project:

    (a) Builder's Risk insurance in an amount of 100% of the total project cost plus the value of the existing building with the Tenant and City added as a Named Insured;

    (b) General liability in an amount of no less than five million dollars $5,000,000 inclusive per occurrence limit for bodily injury, property damage and products and completed operations. The Tenant and City shall be included as an Additional Insured;

Cancellation:

24. The proposed lease may be terminated on 365 days written notice by either party. Should the City cancel the proposed lease by written notice during the initial Term of 25 years, the City shall be responsible to reimburse the Tenant for an amount equivalent to

one-twenty-fifth of the Tenant's initial capital improvement expenditures representing each year remaining in the Term at the time of cancellation, which amount shall be limited to the Total Contract Value as shown on the Total Performance Certificate, to be provided by the Tenant, or $1,200,000.00, whichever is the lesser. The Tenant's capital improvement expenditures for the purposes of calculation in this clause will be subject to the final approval of the City's Director of Planning, Property & Development, acting reasonably. For greater certainty, the value to be reimbursed will be calculated from the date the Tenant is required to yield up possession of the Leased Lands to the expiry date of the 25 year Term. If the cancellation date falls during the middle of a Lease Year, the one-twenty-fifth amount for that year will be prorated to the amount of days remaining in that Lease Year. If the amount calculated to be reimbursed exceeds the total maximum reimbursement amount payable by the City of $1,200,000.00, the City shall only be responsible to pay to the Tenant the total maximum reimbursement amount of $1,200,000.00.

Total or Partial Destruction

25. In the event of total destruction or partial destruction of the Premises and any Leasehold Improvements located thereon, as determined in herein, by fire, explosion, lightning, flood, windstorm or hail or act of God, then in that event this Agreement shall terminate at the option of the City with effect from the date upon which such total destruction or partial destruction occurs. Thereupon, the Lessee shall immediately surrender the Premises and all its interest therein to the City and the Lessee shall pay Rent only to the time of such total destruction or partial destruction and the City may re-enter and repossess the Premises discharged of this Agreement. Upon such termination the Lessee shall remain liable to the City for all sums accrued and due to the City pursuant to the terms hereof to the date of such total destruction or partial destruction.

26. In the event of partial destruction of the Premises and any Leasehold Improvements located thereon, as determined in herein, by fire, explosion, lightning, flood, windstorm or hail or act of God, and if the City does not opt to terminate this Agreement in accordance with this Agreement, then in that event, the Premises may be partially used for the operation as set out herein, while the repairs are being made, if

safe to do so in the opinion of the City. Then, in that event, the Rent shall abate in the proportion that the part of the Premises rendered unusable bears to the whole of the subject property.

27. The City's Chief Financial Officer, or delegate in writing, shall, in their sole discretion determine whether the extent of damage to the Premises and any Leasehold Improvements located thereon is deemed to be total destruction or partial destruction. The City shall make the determination based on inspections and advice from certified professionals, including without limitation, City of Winnipeg engineers and adjusters. The Lessee shall be notified, in writing, by the City as to the determination of total destruction or partial destruction and as to whether the City will be exercising the option to terminate this Agreement as set out herein, within forty-five (45) days of the date that the damage occurred.

Conditions:

28. The Tenant takes the Leased Area on an "as is" basis.

29. The Tenant is to comply with all laws, by-laws and regulations of any federal, provincial or municipal or other applicable authority.

30. Unless otherwise specified herein, the Tenant is to pay all operating costs, including but not limited to:

    (a) The cost of all utilities, including electricity, water and gas, consumed on the "Leased Area";

    (b) The cost of cleaning, maintaining and servicing the Leased Area, including snow removal, garbage and waste collection and disposal;

    (c) The cost of policing and supervising the "Leased Area";

31. The Tenant acknowledges and agrees that the City has made no representation, warranties or guarantees of any nature or kind whatsoever as to the quality, conditions or suitability of the Leased Area for any use or purpose, nor as to any environmental conditions which may exit.

32. The Tenant shall release, indemnify and save the City harmless from and against any and all claims for damages or injuries, including death that may arise

from the use of the Leased Area by the Tenant. This provision shall survive any termination, cancellation or expiration of this Agreement.

33. The Water & Waste Department has the following comments:

    (a) There are several existing pieces of sewer infrastructure located near and within this subject property. Several very large diameter sewer pipes enter the property, as well, there is a gate chamber located within the subject area. A 3700mm outfall pipe leaves this chamber in the direction of the River and there is also a pumping station, and associated piping, located near or within the subject property. This is very important Water & Waste Department infrastructure and shall not be obstructed, built upon, or disturbed in any way.

    (b) There must be a buffer maintained around these structures to allow for maintenance. Also, 24 hours a day, 7 days a week access to the site, via any of the approaches leading onto the property, must not be impeded at any time.

    (c) If any new construction is to occur on this property "Click before you Dig Manitoba" (http://www.clickbeforeyoudigmb.com/) must be contacted to ensure that locates are performed for our infrastructure.

34. If in the future the City determines that the Leased Area is surplus to its needs and available for sale, the Tenant will be so advised.

35. The Tenant shall provide, on an annual basis on the anniversary of the lease, copies of all relevant inspections/reports/etc. (ie boiler/ elevator/furnace inspection certificates, audit/financial statements).

36. The Tenant shall be responsible for the evacuation of all volunteers, staff and invitees during an emergency.

37. The Tenant shall not place any signs or letterings on the Leased Area without first obtaining the prior written approval of the Director and all necessary permits and approvals from the City`s Planning, Property and Development Department;

38. The Public Works Department has no objections but

when the City is ready and able to install a multi-use public pathway along the riverbank the Tenant shall not impede this effort.

39. No development shall be initiated on the Leased Area until the Tenant has obtained all necessary permits. The Tenant shall contact the City's Zoning Branch before any such development to ensure compliance;

Tenant Improvements:

40. The Tenant, after having first obtained the written approval of Director of Planning Property and Development, may at its sole cost, expense and effort, erect, in or upon the Leased Area, such improvements, buildings or structures as may be required for the purposes of the Tenant. Title to all buildings and structures currently existing, including the fieldhouse building, as well as those hereafter erected, shall vest in the City upon termination, cancellation or expiration of the Lease, subject to the terms of the Lease and subject to the option of the City to demand removal of the buildings or structures from the Leased Area at the termination, cancellation or expiration of the Lease. The Tenant shall, in case of every removal either during or at the end of the Term, repair and make good any damage caused to the Leased Area by the installation and removal, provided, however, that in the event that the Tenant fails to make good any such damage as aforesaid, the City may so repair the Leased Area and the Tenant shall, immediately upon demand of the City, reimburse the City for all expenses incurred with respect to such repair. Such claim the City to survive the termination, cancellation or expiration of the Lease.

41. The Tenant is advised that no permanent structures are permitted above the Public Utilities.

Development and Maintenance:

42. The development and maintenance of the Leased Area will be performed at the sole cost, expense and effort of the Tenant, including, but not limited to, obtaining all permits required to develop, occupy and utilize the Leased Area for its intended use.

43. The Tenant shall maintain at its own expense the Leased Area in a safe, clean and tidy condition to the satisfaction of the City and is also responsible for the following:

    (a) Provide and pay for cleaning and janitorial services;

(b) Driveways and parking areas in and about the Leased Area are to be swept, cleaned and maintained in a good state of repair;

(c) Provide and pay for the removal of snow and ice from the roadway and parking areas serving the Leased Area;

(d) Collect refuse or garbage from the Leased Area at reasonable intervals;

(e) Provide and pay for security services for the Leased Area;

Repairs:

44. The Tenant shall keep and maintain the Leased Area in good and substantial repair as well as the following:

(a) Pay for and replace all glass (including plate and ornamental glass) as required;

(b) Pay for and replace any floor covering in Leased Area, excepting only for normal wear and tear;

(c) Pay for and replace all fuses, light fixtures, ballasts, and starters in the light fixtures and electrical apparatus including light bulbs and tubes, as the need arises;

(d) Tenant shall Repair and maintain all heating and air conditioning apparatus's and equipment and plumbing systems as required during the Term and replace same if required if installed in the Leased Area at the Commencement Date;

(e) Any and all damage done to Leased Area arising out of forcible entry into the Leased Area for an unlawful purpose;

45. In the event that the Leased Area require repair, the Tenant shall perform at its sole cost, expense and effort required repairs within thirty (30) days of written notice provided by the City.

City's Access:

46. The City shall have the right of access to the Leased Area at any time (24 hours a day, seven days a week) by its employees or other persons acting with authorization, with or without equipment for any purpose whatsoever, including, but not limited to, those purposes related to viewing the state of repair, safety, protection, preservation or improvement of the Leased Area, and for doing any work to maintain, operate, repair, inspect or rehabilitate its existing water mains, sewer lines and appurtenances

in or near to the Leased Area, without being responsible for any damage occasioned thereby.

47. The City reserves the right for MTS Communications Inc. and Manitoba Hydro-Electric Board or other public utilities (hereinafter referred to as "Public Utilities") to enter upon the Leased Area for maintenance and/or repair of their utilities without the City and/or the Public Utilities being responsible for any damage occasioned thereby.

Assignment or Sub-let:

48. The Tenant is not to assign or sub-let or part with possession of all or any part of the Leased Area without the Tenant first obtaining the prior written consent of the Director of Planning Property and Development who shall act reasonably in the circumstances. In such event, the City in its sole discretion may cancel this agreement and enter into a new agreement;

49. And further the Tenant acknowledges and agrees that:

    (a) Upon its making application for such consent by the City the Tenant shall pay to the City a non-refundable administrative fee of Five Hundred ($500.00) Dollars, plus applicable Goods and Services Tax, or such amount as may from time to time be determined by the City in its sole discretion acting reasonably.

Termination:

50. Should the Licensee be in default of the terms and conditions of the lease agreement, the City shall provide the Lessee with 15 days notice to remedy the default along with a description of the nature of the default. Should the Lessee not remedy the default to the satisfaction of the City, the City at its sole discretion may terminate the lease agreement immediately upon the expiration of the 15 days with no responsibility to reimburse the tenant for their initial capital improvement expenditures.

51. Upon termination or cancellation of the Lease the Tenant shall remove its property from the Leased Area and leave the Leased Area in a condition satisfactory to the City. Should the Tenant default in so doing the City may remove the Tenant's property and restore the Leased Area at the sole risk and expense of the Tenant.

Other:

52. The Tenant shall enter into a formal agreement with the City embodying the foregoing Proposed Terms

and Conditions and such other Terms and Conditions as the City Solicitor/Director of Legal Services deems necessary and in a form satisfactory to the City Solicitor/Director of Legal Services.

This proposal is subject to final approval by the City of Winnipeg's Council, or its delegated authority

I, ABDO ELTASSI am duly authorized to act on behalf of Alhijra Islamic Foundation Inc., hereby agree to enter into a lease agreement with the City of Winnipeg for the use of the property identified as "Leased Area" on the attached Misc. Plan No. 11376/4 and in accordance with the proposed terms and conditions as outlined herein.

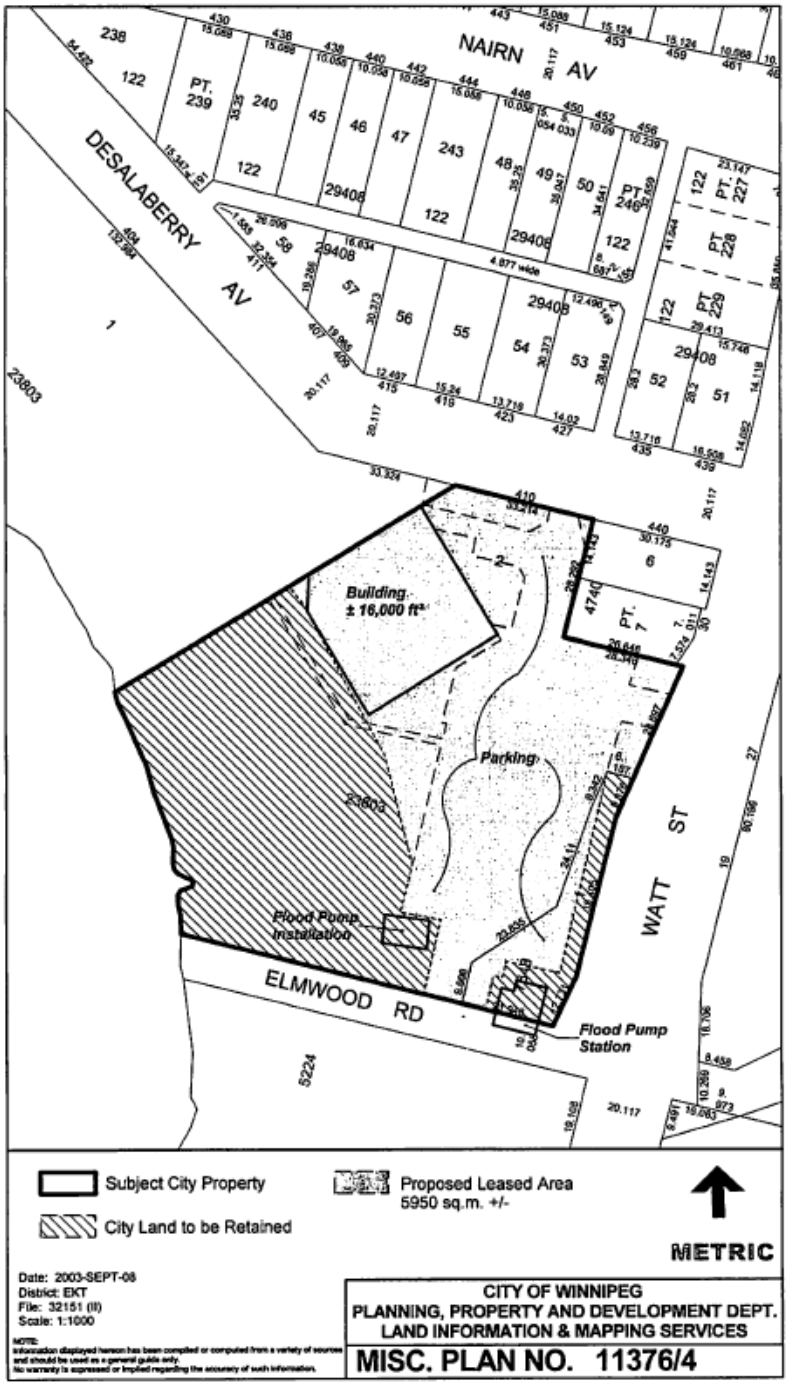
Per: **ALHIJRA ISLAMIC FOUNDATION INC.**

ABDO ELTASSI — SEPT 12 / 2014

Name: **Date**

Title: CHAIRMAN

SCHEDULE A


NAIRN AV
DESALABERRY AV
WATT ST
ELMWOOD RD
Building
± 16,000 ft²
Parking
Flood Pump Installation
Flood Pump Station
23803
5224
Subject City Property
City Land to be Retained
Proposed Leased Area
5950 sq.m. +/-
METRIC
Date: 2003-SEPT-08
District: EKT
File: 32151 (II)
Scale: 1:1000
NOTE:
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CITY OF WINNIPEG
PLANNING, PROPERTY AND DEVELOPMENT DEPT.
LAND INFORMATION & MAPPING SERVICES
MISC. PLAN NO. 11376/4

SCHEDULE B
Non-Monetary Grant Criteria Report

Criteria	Pass	Fail	Comments
1. The organization must provide a facility operated in its entirety by a non-profit organization for non-profit uses.	X		The Applicant is a non-profit organization.
2. The organization must provide for activities which are compatible with City's needs.	X		The Applicant runs a school of choice for which a need exists amongst the citizenry.
3. The organization must provide facilities for which there is a current and projected need in that location.	X		The City has a need for this facility in this location. As an educational institution it attracts students from all across the City.
4. The organization must provide reasonable access to all Winnipeg residents without discrimination.	X		Admission is open to all school aged children in Winnipeg.
5. The organization must provide access without the charging of initiation fees, membership fees or other costs which are incompatible with like facilities or organizations.	X		The school receives funding from the Department of Education, school fees, and donations which is comparable with other similar institutions.
6. The organizations must provide evidence of available funding and commitment to complete the project and assurance that no ongoing operating subsidies from the City will be required over the life of the development.	X		See schedule C for audited financial statements.
General Comments: The Property Management Branch has concluded that Alhijra Islamic Foundation Inc. satisfies the 6 criteria required to receive a non-monetary grant from the City of Winnipeg.			

Criteria for Consideration of Non-Monetary Grant

Organization: Alhijra Islamic Foundation Inc

Contact Person: Albert El Tassi

Address: 515 Notre Dame Avenue

Phone Number: 204-774-5428

Email: alberte@peerless.mb.ca

Information on the following six criteria is required for the consideration of a lease agreement between a non-profit organization and the City of Winnipeg:

1. Demonstrate that the facility is operated in its entirety by a non-profit organization for non-profit use. All subsidies or grants and corresponding revenues must be clearly identified.

    a. Response from Applicant:

    "Attached are the audited financial statements for the School operated in this facility. The financial statements are provided to the department of Education on an annual basis as part of our financial reporting requirements. The financial statements provide details of the funding received and the expenditures related to running the Alhijra School that is located at the facility. All operations and funding is used to operate the school, which is a non-profit organization."

2. Demonstrate how the organization provides for activities which are compatible with the City's needs.

    a. Response from Applicant:

    "The school provides education from preschool to grade nine for children from throughout Winnipeg, many of which are new immigrants to Canada. This includes formal programming in accordance with provincial standards and a number of after school activities and special community programs."

3. Demonstrate how the organization provides facilities for which there is a current and projected need in that location.

    a. Response from Applicant:

    "The Alhijra school has operated at this one location for about 10 years and the foundation has invested in upgrading the building and yard to accommodate the school. The cost of this upgrading was approximately $650,000 which was funded by the Chairman of the School. The current location is appropriate for the number of students currently at the school, as well as the expected future needs."

4. Demonstrate how the organization provides reasonable access to all Winnipeg residents without discrimination.

    a. Response from Applicant:

    "Anyone who would like to attend the school is capable of attending. The most compelling support for this is the fact that we have students from all parts of Winnipeg attending the school, and not just from the local area."

5. Demonstrate that the organization provides access without the charging of initiation fees or other costs which are incompatible with like facilities or organizations.

    a. Response from Applicant:

    "The school has total revenues of approximately $1.1, with approximately $1.0 million received through funding from the province of Manitoba, Department of Education. The remaining revenue is from school fees and donations. There are no initiation fees for the school."

6. Provide evidence of available funding and commitment to complete the project and assurance that no ongoing operating subsidies from the City will be required over the life of the development.

    a. Response from Applicant:

    "Attached are the most recent audited financial statements for the school. These are the financial statements that are provided to the Department of Education on an annual basis. As can be seen from the financial statements, the schools operations are positive and supported by the funding received from the Department of Education."

SCHEDULE



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Alhijra Islamic Foundation Inc.

Report on the Operating Fund Financial Statements

We have audited the accompanying operating fund financial statements (the "financial statements") of Alhijra Islamic Foundation Inc., which comprise the operating fund balance sheet as at June 30, 2013 and the operating fund statements of revenue and expenditures and surplus (deficit) for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management in accordance with accepted accounting principles for independent schools in Manitoba as disclosed in Note 2 (a) to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accepted accounting principles for independent schools in Manitoba, 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 the 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 the 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 the auditors' 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, the auditor considers 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenue from donations which are not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donations revenue, current year surplus (deficit) and accumulated surplus (deficit).

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the operating fund financial statements present fairly, in all material respects, the financial position of Alhijra Islamic Foundation Inc. as at June 30, 2013, and the results of its operations for the year then ended in accordance with accepted accounting principles for independent schools in Manitoba.

430 Five Donald Street • Winnipeg, Canada • R3L 2T4 • Phone (204) 942-4441 • Facsimile (204) 944-0400

C

Basis of Accounting and Restriction on Distribution and Use

The operating fund financial statements, which have been prepared in accordance with accepted accounting principles for independent schools in Manitoba as disclosed in Note 2 (a) to the financial statements, are prepared solely for the information and use of the Directors of Alhijra Islamic Foundation Inc. and the Province of Manitoba to comply with the reporting requirements of the Province of Manitoba. As a result, the operating fund financial statements may not be suitable for another purpose. Our report thereon is intended solely for use by the Directors of Alhijra Islamic Foundation Inc. and the Province of Manitoba and should not be distributed to or used by any other parties.

Other Matter

Alhijra Islamic Foundation Inc. has prepared a separate set of general purpose financial statements as at June 30, 2013 and for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations on which we issued a separate audit report to the Board of Directors also dated October 30, 2013.

Magnus

October 30, 2013
Winnipeg, Canada

Magnus Chartered Accountants LLP

Certification by Chairperson:

I hereby certify that this report and the operating fund financial statements referenced herein have been presented to the Board of Directors of the Alhijra Islamic Foundation for review and approval on or before the date of this audit report:

Signature: _____ *Date:* OCT 30/2013

Manitoba

INDEPENDENT SCHOOL FRAME FINANCIAL STATEMENT

Print all



2114	Alhijra Islamic School

INDEPENDENT SCHOOL FRAME FINANCIAL STATEMENT

CONTROL WORKSHEET AND PRINTING GUIDE

Choose school here >	Alhijra Islamic School
Correct the name, if you need here >	Alhijra Islamic School
For the Year Ended >	June 30 , 2013
Name of person inputting this file >	Margaret Pitt
Phone number >	204-957-2285

Printing instructions:

Default print settings for this file are for legal paper. Once you have selected the page or pages you want to print (as per the instructions below), just click the printer icon on your toolbar. If you are unsure about what you have selected or how it will appear on the printout, click Print Preview instead.

To print (or preview):	**Do this:**
one page	go to the page to be printed (click its tab) and press the printer icon.
several consecutive pages	click on the tab of the first page to print, hold down the Shift key and click on the last page (this will also highlight all tabs in between). Press the printer icon.
several non-consecutive pages	click on the tab of the first page to print, hold down the Ctrl key and click on the tab(s) of other pages desired. Each tab selected will be highlighted. Press the printer icon.

Note 1: if you print several pages using the methods (2) or (3) above, be sure to **ungroup** the selected worksheets before entering or modifying data. Otherwise the same data could be entered on more than 1 worksheet unless you get a "protected cell" error message which will prevent data entry altogether. To ungroup, either click on an unselected worksheet (one whose tab is not highlighted) or right click any selected sheet and click "Ungroup Worksheets" from the pop-up menu.

Note 2: if you press [Ctrl] [P] (or File, Print off the menu) and select entire workbook, you will get all the worksheets in this file, including ones you probably do not want. If you specify a range of pages, these pages will not correspond to the numbering of the FRAME financial statement - they will correspond to Excel's own worksheet numbering.

Alhijra Islamic School

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

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Independent Schools

Legislative Authority/Requirements

In accordance with The Private Schools Grants Regulation 61/2012

Auditor

Each year, a private school shall appoint an auditor and advise the minister of the auditor's name and address. If the auditor is the same as in the previous year, it is not necessary to advise the minister.

The auditor must be a professional accountant who is a registered member in good standing of an institute, association or society of accountants established by an Act of the Legislature, or a firm of professional accountants all the partners of which are so registered.

Annual Audit

Each year, the auditor shall examine the financial affairs, books, accounts, records and transactions of the private school.

Method of Audit

An examination must be in accordance with generally accepted auditing standards, and must include a general review of the adequacy of the accounting procedures and system of internal control employed to preserve and protect the assets of the private school.

Auditor's Report

The Auditor shall, not later than October 31 following the end of the school year, make a report to the private school on the annual financial statements examined by the auditor as at the close of the school year.

Standards of the CICA

The Auditor's report

(a) comply with the standards of the Canadian Institute of Chartered Accountants for an auditor's standard report; and

(b) include the auditor's opinion as to whether the financial statements present fairly the financial position of the school division as at the end of the preceding fiscal year and the results of its operations for the preceding fiscal year, in accordance with accepted accounting principles for independent schools.

Auditor's Supplementary Report

The auditor shall submit to the school board a supplementary report on his or her examination of the annual financial statements and the report shall contain any information required by the regulations.

Note

The report is to be comprised of the Auditor's Report on Enrolment as included in the financial statement file provided by Schools' Finance Branch and the auditor's management letter.

Note: The report of the auditor, The Auditor's Report on Enrolment and the Management Letter shall be signed by the Chairperson of the Private School, duly certifying that these reports have been presented to the Board, and the reports shall be submitted to the Minister in care of the Schools' Finance Branch

Financial Statement to the Minister

Not later than October 31 following the end of the school year, a private school shall provide the minister with the duly audited financial statements in a form approved by the minister showing the revenues, expenditures and other financial information relating to the private school for the school year, and the financial position of the school at the end of the school year.

The Public Sector Compensation Disclosure Act

This Act requires public sector bodies, as defined in Section 1, to disclose to the public within six months after the end of each fiscal year ending on or after March 31, 1996, the name, position or classification, and compensation of individuals whose compensation, as defined in the Act, is $50,000 or more. A copy of the legislation (formerly Bill 57) was sent to the Chair of each funded independent school on November 13, 1996.

A copy of the disclosure schedule is to be sent to this office together with the audited financial statements.

TO PRINT, CLICK THE PRINTER ICON ON YOUR TOOLBAR (PRINTS 2 LETTER SIZE PAGES)

INSTRUCTIONS FOR THE COMPLETION AND SUBMISSION OF Financial Statements

MACROS: For full functionality, set Excel to allow macros. To do this in Excel 2007 or later versions:
Excel 2007: Click the Microsoft Office Button (upper left corner of your screen)
At the bottom of the pop-up box, click the **Excel Options** button
Excel 2010: Click the **File** tab **(upper left corner of your screen)**
On the bottom of the side menu, click **Options**
Then (same for both versions):
Click **TRUST CENTER** on the side menu
Click the **Trust Center Settings** button on the right hand side and click **Macro Settings** on the next side menu
On the list of options under Macro Settings click **Disable all macros with notification**. Click **OK**.

Before entering any data please save the file as (**Save As**) Excel 97-2003 Workbook (*.xls) or Excel Macro-Enabled Workbook (*.xlsm).

Please round all reported amounts to the nearest dollar prior to data entry. If cents are entered, these will not be shown and may cause rounding errors in totals as well as "out of balance" or other error messages.

The **Auditor's Report on Enrolment** is included in a standard format and requires signoff on a hardcopy. Edits to the text are not allowed.

The management letter, Auditor's Supplementary Report and the Auditor's Report on Enrolment, must be signed and included in the submission to Schools Finance Branch.

Once the Financial Statements have been completed, audited and approved by the school board, signed original documents should be forwarded directly to the Schools' Finance Branch by **October 31, 2010. You are also asked to email your completed computer file, to Shelley Wilson (address below). (Signed Reports and Notes do not need to be submitted electronically). Confirmation of receipt of the e-files will be sent via email.**

CONTACTS (to email, click links):

Questions regarding the use of this computer file can be directed to:
Gonzalo Pizarro - ☎ (204) 945-4028, ✉ gonzalo.pizarro@gov.m

Return this file to:
Shelley Wilson - ☎ (204) 945-5604, ✉ shelley.wilson@gov.mb.

INTERNET DOWNLOADS:

(click link to go there):

http://www.edu.gov.mb.ca/k12/finance/forms/independent/index.html

Independent Schools

Instructions for the Completion of 2012/13 Financial Statements

The Audited Financial Statements are required for the operating fund only, and are to include only financial information related directly to the independent school being funded.

Operating Fund – Statement of Revenues and Expenditures
Department of Education
Instruction and Services Grant
Is the total Instruction and Services Grant for the current fiscal year. The gross amount of the grant is to be

reported including the Cancopy deduction, and the amount receivable that was paid in July following the year end. The Cancopy deduction is to be recorded as an expenditure, object 740.

If the grant for the year is greater than the allowable expenditures for Instruction and Services as calculated on page 8, then the revenue recorded on page 5 and the receivable from the Province of Manitoba shown on the balance sheet must be shown reduced by the amount that the grant exceeds the allowable expenditures.

Special Education Services Grant
Includes the total of Level 2, Level 3 Grants for the current fiscal year. If the total grant for the year is greater than the allowable expenditures for Special Education Services as calculated on page 8, then the revenue recorded on page 5 and the receivable from the Province of Manitoba shown on the balance sheet must be shown reduced by the amount that the grant exceeds the allowable expenditures.

Curricular Materials Grant
Includes the **current year** earned grant (i.e. the $30 per pupil grant paid directly to the school plus the amount expended through the Manitoba Textbook Bureau). Any unspent balance (i.e. any credit at the Manitoba Textbook Bureau), which is available for future year purchases is to be recorded as a receivable from the Province of Manitoba and as deferred revenue on the balance sheet. A one-time adjustment may be required to correct the amount of receivable and the deferred revenue on the balance sheet. This may also require an adjustment on the Statement of Surplus/(Deficit).
These amounts must agree to the final Support Calculation.

Provincial Government - Other Support
Include any other support received from the Province of Manitoba, and provide an appropriate description.

Federal Government - French Language Grant
Include any support received for the grant here.

School Fees - Parental
All school fees paid for by parents or legal guardians are to be recorded here.

Expenditure Reporting

With the implementation of Independent Schools FRAME Report it is imperative that reporting of expenditures be prepared on the basis of generally accepted accounting principles and in accordance with the FRAME system established by the Department for use by funded independent schools.

Please refer to the Independent Schools FRAME Manual for expenditure reporting standards. The FRAME system provides a consistent structure for classifying school expenditures, however, it is recognized certain aspects of the FRAME system may be subject to some interpretation. In this regard, please consult the Independent Schools Accountant at the Schools' Finance Branch to resolve such matters.

Statement of Allowable Expenditures

The calculation of allowable expenditures must be completed by the school in accordance with the instructions, and any resulting reduction in grants is to be reflected in the current year financial statements through a decrease in appropriate revenues and a corresponding decrease in the receivable from the Province of Manitoba.

Full Time Equivalent Personnel Employed

In order to complete this form correctly, employee actual time worked is to be converted into full year equivalents, rounded to two decimal places. For example, a secretary working three-quarter time all year is to be reported as 0.75 FTE.

AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF Alhijra Islamic School

We have audited the Operating Fund Balance Sheet of
Alhijra Islamic School

Date

Auditor

I hereby certify that this report and the statements referenced herein have been presented to the Board of Directors of the above referenced school and have been duly accepted and approved under minute number _____ .

Date

Chairperson

Alhijra Islamic School

AUDITOR'S SUPPLEMENTARY REPORT

AUDITOR'S REPORT ON ENROLMENT

at September 30, 2012

To the Board of Alhijra Islamic School

We have audited the EIS Certification and Enrolment Report (IS EIS CERT-PART 2 OF 2) prepared in accordance with Part1, Section 1.1 of the Funding of Independent Schools and Reporting Requirements for the school year 2012/2013 of the Alhijra Islamic School at September 30. The enrolment information is the responsibility of the School's management.

Our responsibility is to express an opinion on this enrolment information based on our audit.

We conducted our audit in accordance with the standards for assurance engagements set out in the CICA Handbo Assurance. Those standards require that we plan and perform an audit to obtain reasonable assurance whether th enrolment information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the enrolment information.

In our opinion, this report presents fairly, in all material aspects, the enrolment of the Alhijra Islamic School at September 30, 2012 in accordance with the Funding of Independent Schools and Reporting Requirements for the 2012/2013 school year referred to above.

Date Auditor

I herby certify that the preceding report has been presented to the members of the Board of the Alhijra Islamic School

Date Chairperson of the Board

Alhijra Islamic School 30-Oct-13

OPERATING FUND - BALANCE SHEET

As at June 30, 2013

ASSETS		
Cash		481,460
Investments		-
Accounts Receivable		
Provincial Government	95,378	
Federal Government	-	
School Fees	-	
Other (please specify)		
GST Recoverable	2,651	
Provincial Government-textbooks	-	
	-	98,029
Less Allowance for Doubtful Accounts		-
Inventory		-
Prepaid Expenses		6,615
Other (please specify)		
		-
		586,104
LIABILITIES AND EQUITY		
Overdrafts		-
Accounts Payable		
Province of Manitoba	-	
Other	126,642	126,642
Accrued Liabilities		-
Unearned Revenue		-
Loans		-
Other (please specify)		
		-
		-
		-
		126,642
Accumulated Surplus (Deficit)		459,462
		586,104

Alhijra Islamic School 30-Oct-13

OPERATING FUND

STATEMENT OF SURPLUS (DEFICIT)

For the Year Ended June 30, 2013

Accumulated Surplus (Deficit), June 30, 2012		350,358
Add: Net Current Year Surplus (Deficit)		109,104
Adjustments Affecting Prior Year(s)		
_____	-	
_____	-	
_____	-	
_____	-	0
Accumulated Surplus (Deficit), June 30, 2013		459,462

Alhijra Islamic School 30-Oct-13

OPERATING FUND
STATEMENT OF REVENUES AND EXPENDITURES

For the Year Ended June 30, 2013

REVENUES		
Provincial Government		
Department of Education		
Instruction and Services	982,865	
Student Support Services	-	
Curricular Materials	12,120	994,985
Other (please specify)		
Healthy Schools		771
Federal Government		
French Language Grant		-
Other		-
School Fees		
Parental and Other Sources		97,055
Other (please specify)		
Manitoba Federation of Independent Schools		868
Donations		8,830
Province of Manitoba - Hydro		1,500
Province of Manitoba - Education		80
		-
		-
		1,104,089
EXPENDITURES		
Regular Instruction		709,943
Student Support Services		-
Pre-Kindergarten Education		-
Administration		183,503
Instructional and Pupil Support Services		-
Transportation/Boarding of Pupils		2,823
Operations and Maintenance		98,716
		994,985
CURRENT YEAR OPERATING SURPLUS (DEFICIT)		109,104
CORPORATE TAX		-
TRANSFERS (TO) FROM CAPITAL FUND		-
NET CURRENT YEAR SURPLUS (DEFICIT)		109,104

OPERATING FUND STATEMENT OF EXPENDITURE

For the Year Ended June 30, 2013

30-Oct-13

\ FUNCTION	REGULAR INSTRUCTION	STUDENT SUPPORT SERVICES (see note)	PRE-KINDERGARTEN EDUCATION	ADMINISTRATION		INSTRUCTIONAL AND PUPIL SUPPORT SERVICES	TRANSPORTATION / BOARDING OF PUPILS	OPERATIONS AND MAINTENANCE	TOTALS
				BOARD OF DIRECTORS	SCHOOL ADMINISTRATION				
uneration									0
nagerial and Supervisory		-			68,606				68,606
Teaching	435,196	-							435,196
Other	142,733	-							142,733
cialized and Service		-							0
erical and Other		-			35,777			33,864	69,641
		-							0
	577,929	0	0	0	104,383	0	0	33,864	716,176
ENEFITS AND ALLOWANCES	73,683	-			13,033			5,849	92,565
Technical and Specialized		-			13,504				13,504
ns		-			4,432				4,432
								20,296	20,296
etings		-							0
of Pupils							2,823		2,823
		-							0
		-							0
Bond Premiums					16,390				16,390
nd Repair Services		-						37,806	37,806
		-						901	901
		-							0
d Promotion		-			8,913				8,913
s	4,488	-							4,488
evelopment	3,998	-							3,998
	8,486	0	0	0	43,239	0	2,823	59,003	113,551
TERIALS AND MINOR EQUIPMENT									
	13,600	-			21,075				34,675
Media Materials	17,490	-							17,490
ent	18,755	-							18,755
Materials and Minor Equipment	49,845	0	0	0	21,075	0	0	0	70,920
ND OTHER									
									0
ank Charges					1,773				1,773
and Individuals and Other		-							0
and Other	0	0			1,773	0			1,773
	709,943	0	0	0	183,503	0	2,823	98,716	994,985

ent School with total Special Education Services expenditures greater than $25,000 MUST complete Appendix A.

School

SPECIAL EDUCATION SERVICES EXPENDITURES DETAIL

30-Oct-13

For the Year Ended June 30, 2013

* TO BE COMPLETED BY SCHOOLS WITH TOTAL SPECIAL EDUCATION SERVICES EXPENDITURES GREATER THAN $25,000

BJECT \ PROGRAM	ADMINISTRATION /CO-ORDINATION	GIFTED EDUCATION	CLINICAL AND RELATED SERVICES	SPECIAL PLACEMENT	REGULAR PLACEMENT	OTHER RESOURCE SERVICES	TOTALS
ES							
ve, Managerial and Supervisory							0
onal - Teaching							0
onal - Other							0
al, Specialized and Service							0
rial, Clerical and Other							0
ns							0
aries	0	0	0	0	0	0	0
EES BENEFITS AND ALLOWANCES							0
VICES							
ional, Technical and Specialized							0
nications							0
nd Meetings							0
							0
							0
ance and Repair Services							0
							0
							0
ing and Promotion							0
d Fees							0
ional Development							0
vices	0	0	0	0	0	0	0
ES, MATERIALS AND MINOR EQUIPMENT							
s							0
ar and Media Materials							0
quipment							0
plies, Materials and Minor Equipment	0	0	0	0	0	0	0
ations and Individuals							0
	0	0	0	0	0	0	0

7

STATEMENT OF ALLOWABLE EXPENDITURES

For the Year Ended June 30, 2013
To be completed by all Independent Schools

	STUDENT SUPPORT SERVICES		INSTRUCTION AND SERVICES	
TOTAL EXPENDITURES	0	(1)	994,985	(2)
LESS: Student Support Services Grants			0	(3)
Curricular Materials Grant	0	(4)	12,120	(4)
Cost of non-certified teachers teaching courses other than non-credit religion	-	(5)	-	(5)
Cost of non-credit religious instruction in excess of 1/2 hour per day	-	(6)	-	(6)
SUB TOTAL	0		982,865	
LESS: Pre-Kindergarten Expenditures			0	(7)
LESS: Expenditures related to teaching non-funded pupils (see below)	0		0	(8)
ALLOWABLE EXPENDITURES	0		982,865	
GRANTS RECEIVED	-	(9)	986,770	(9)
GRANTS EARNED CALCULATION	-		982,865	(10)
PORTION OF THE GRANT RECOVERABLE (IN EXCESS OF ALLOWABLE EXPENDITURES)	0	(11)	3,905	(11)

NOTES:

(1) Total Student Support Services expenditures from page 6.
(2) Total operating fund expenditures from page 6.
(3) Student Support Services grant less the portion of the grant in excess of the allowable expenditures.
(4) Curricular Materials grant is the Curricular Materials grant, prorated between Special Education Services and Instruction and Services by multiplying the grant by the percentage of Curricular Materials expenditures in each category.
(5) The cost of non-certified teachers teaching courses other than religion is to be deducted from the column to which the expenditures have been charged.
(6) The cost of religious instruction in excess of 1/2 hour per day or 2 1/2 hours per week, is to be deducted from the column to which the expenditures have been charged.
(7) The cost of Pre-Kindergarten expenditures
(8) The percentage of the cost related to teaching non-funded pupils is determined as follows:

	Student Support Services		Instruction and Services	
Enrolment at Sept. 30, 2012	Number of Pupils	% of Total	Number of Pupils	% of Total
Eligible Pupils (I)		0.0%	202	100.0%
Non-Funded Pupils (II)		0.0%		0.0%
Totals (III)	0.0	0.0%	202.0	100.0%
Total Expenditures		0		982,865
Expenditures pertaining to non-funded pupils		0		0

(I) Eligible enrolment as defined in the Private Schools Grants Regulation as calculated on the Support Calculation.
(II) Total of all non-funded pupils enrolled in the school. This is Foreign Exchange and Others on the Support Calculation. This does not include Pre-Kindergarten or Kindergarten pupils.
(III) This total does NOT reconcile to total enrolment.

(9) Total of Level 2, Level 3 and Instruction and Services Grants.
(10) Lesser of grants received and allowable expenditures
(11) This amount will be recovered from a future grant payment.

FULL TIME EQUIVALENT PERSONNEL EMPLOYED (UNAUDITED)

September 30, 2012

OBJECT \ FUNCTION	REGULAR INSTRUCTION	STUDENT SUPPORT SERVICES	ADMINISTRATION		INSTRUCTION AND PUPIL SUPPORT SERVICES	TRANSPORTATION / BOARDING OF PUPILS	OPERATIONS AND MAINTENANCE	TOTALS
			BOARD OF DIRECTORS	SCHOOL ADMINISTRATION				
rectors (headcount)								0.00
ecutive, Managerial and Supervisory				1.00				1.00
structional - Teaching	10.00							10.00
structional - Teacher Aides and Other	5.00							5.00
chnical, Specialized and Service							0.00	0.00
cretarial, Clerical and Other				1.00			1.25	2.25
inician								0.00
LS	15.00	0.00	0.00	2.00	0.00	0.00	1.25	18.25

Alhijra Islamic School

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

. Organization

Alhijra Islamic Foundation Inc. is a non-profit organization incorporated under the laws of Manitoba as a corporation without share capital that operates as a private school to supply the Muslim community with faith based education. The organization is a registered charity under The Income Tax Act (Canada) and is, therefore, exempt from income taxes.

2. Summary of significant accounting policies

a) Basis of accounting

These operating fund financial statements are prepared in accordance with accepted accounting principles for independent schools in Manitoba as prescribed by the Province of Manitoba.

b) Operating fund

Revenue and expenses relating to program delivery and administrative activities are reported in the operating fund.

c) Revenue recognition

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable and collection is reasonably assured.

Grant revenues are typically restricted for expenditures relating to a particular school year and are therefore recognized in the year in which the funding relates to the extent the related expenditures are incurred.

School fees are recognized when received or receivable in the year the services are provided and collection is reasonably assured.

d) Contributed services and materials

The organization receives volunteer assistance in carrying out its service delivery activities. The contributed services are not recognized in the financial statements due to difficulties associated with the determination of fair value. Contributed materials used in the normal course of operations that would otherwise be purchased are recognized in the financial statements at fair value when fair value can be reasonably estimated, otherwise no amounts are recognized.

The organization has a lease with payment terms that may be less than fair value. The excess value, if any, is not recognized in the financial statements due to difficulties associated with the determination of fair value.

e) Financial instruments

Measurement

The organization initially measures its financial assets and liabilities at fair value. The organization subsequently measures its financial assets and liabilities at cost or amortized cost. For any financial instruments subsequently measured at fair value, changes in fair value are recognized in excess or deficiency of revenues over expenses for the year.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of any write down is recognized in excess or deficiency of revenues over expenses. Any previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess or deficiency of revenues over expenses.

Transaction costs

Transaction costs for financial instruments subsequently measured at cost or amortized cost are added to the cost of the related financial instrument. Transaction costs for any financial instruments subsequently measured at fair value are expensed when incurred.

Alhijra Islamic School

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

3. Lease commitment

The organization has leased premises from the City of Winnipeg that commenced on January 1, 2004 and expires on December 31, 2013 with an option to renew for a period of 10 years. The annual rent is $1.

4. Related party transactions

During the year, the organization received net direct and indirect contributions from directors or entities related to directors of the organization in the amount of $6,220 (2012 - $nil). These amounts relate to contributed computer equipment measured at estimated fair value at the date of contribution and are included in donations revenue and minor equipment expenses for the year.

5. Financial risks and concentrations of risk

The organization is not exposed to any significant unusual or non-routine liquidity, credit, market, currency, interest rate or other price risks or concentrations of risk resulting from its financial instruments that are not readily determinable from information provided in these financial statements. The carrying amount of all secured financial liabilities at June 30, 2013 amounts to $nil (2012 - $nil).