



HOLLAND MARSH DISTRICT CHRISTIAN SCHOOL
CAPITAL CAMPAIGN

FREQUENTLY ASKED QUESTIONS

May 2011

1. We began a capital campaign several years ago that was unsuccessful and was announced as 'stalled'. What makes this campaign different and how do I know this one will be successful?

RESPONSE:

We fell short in our last campaign effort and were unsuccessful in securing the future for HMDCS that many had envisioned. However, we have learned much from that experience and it is time to put aside the past and look to the future again. As members of the HMDCS family, it is our responsibility to enthusiastically respond to the call made in 2 Corinthians 8:11-12, "Now finish the work, so that your eager willingness to do it may be matched by your completion of it, according to your means. For if the willingness is there, the gift is acceptable according to what one has, not according to what he does not have."

Some key reasons that the last campaign didn't reach its goal were addressed in the 2009 Community Assessment and identified the following key challenges:

- *Unexpected economic downturn impacted many donors and families within the HMDCS community. (The economy is now holding its own)*
- *Difference of opinion on the 'best location' for the new school. (The Malone Report clearly states the Bathurst site is our best option)*
- *The campaign goal was set too high. (A very realistic attainable goal has been set for the new campaign)*

2. I've already made a pledge to the first campaign so why should I give again?

RESPONSE:

Since the previous campaign stalled, there has been a thorough examination of the issues through a task force whose report is available for review. Also, Malone, Parsons and Givens is a planning consulting firm which examined the various potential sites as well as the site purchased by the school society. Their report concluded that the site chosen by the society is a good viable site whose exposure and access will improve and increase when the Bathurst street extension planned for 2012 is completed. The Dennis Group has also conducted interviews within the community. The result of their work resulted in a decision that a \$4 million campaign was both achievable and sufficient to build a new school facility with funds from the previous campaign. These reports are available via the school website. This new information and the fact that a further \$4 million is needed, makes it essential to both share this information with the community and give another opportunity for those who have already pledged to revisit their gift.

3. Since the last campaign identified a target of \$6.5 million as the funds required to build a new facility, why is \$4 million the target for the new campaign and is this enough money to construct a new facility on the Bathurst site owned by the school? Also, has the design changed?

RESPONSE:

Part of the due diligence performed for HMDCS by The Dennis Group and the Task Force (reports on the web site) included collecting information from other Ontario Alliance Christian schools in southern Ontario which have undergone new construction within the last few years. This showed that a new school building of approximately 30,000 square feet and able to accommodate up to 350 students can be constructed for \$3.75 - \$4.2 million plus "soft costs" of \$400,000 - \$600,000 which includes architect/consultant fees and excludes the cost of the land.

The Bathurst Street property has already been paid for in full as well as some of the campaign and "soft" costs. This was paid for with funds raised through the previous campaign. There are funds remaining in the capital fund from that campaign and earmarked for the new facility in the amount of \$74,350 as of the school year end on August 31, 2010.

The Task Force also identified the opportunity for possible financing or promissory notes in the amount of \$200-700 thousand, if necessary.

While the goal remains to raise all the required funds without any financing, it is prudent to ensure that access to contingency funds at a reasonable cost is in place.

The drawing portrayed in the last campaign was conceptual. A final design has not yet been adopted.

4. The school has been talking about a new facility for many years. I don't have any confidence that this time around it will become a reality. What assurance can you give me that it will happen?

RESPONSE:

We know what you mean. We were also discouraged with the lack of progress. However, we believe that with the information provided through the work of the Task Force, Malone Planning, The Dennis Group, the community, and also with the knowledge gained, as well as with a realistic goal of \$4 million, this campaign can reach its objective. The continuing involvement of The Dennis Group, as well as their experience and expertise in raising funds for Christian schools, will also help keep the campaign moving and on track.

5. We are already running at a deficit in a much smaller facility than what they are proposing for the new one. How will we meet the financial operational requirements of a larger facility if enrollment doesn't increase?

RESPONSE:

Throughout recent years, the Board of Directors had made a conscious decision to limit tuition increases in order to help families endure the economic slowdown. Unfortunately, as a result of the slowdown there were times when families were unable to pay the full amount of tuition and this resulted in minor deficits.

Moving forward, the Board is committed to running a balanced budget and is currently investigating strategies to improve the financial position of the school. This will include forecasted tuition revenue based on historical experience of tuition actually received. As tuition increases have been limited throughout recent years tuition will need to be raised in order to have a balanced budget and pay back the accumulated deficit. This one-time, extraordinary correction being implemented for the 2011-2012 year is a direct result of the previous limited tuition increases and the accumulated operating deficit and is in no way connected to the new facility.

As a new facility will bring with it new operating requirements, there are several proposed initiatives which will help offset the costs, such as:

- ***An increased endowment fund which will provide consistent funds that will assist with the on-going operation of the school.***
- ***An energy efficient design which can reduce operating costs.***
- ***Increased revenue from a multi-use designed facility which could include daycare, recreation facilities, and community meeting space.***

As a note, within the Ontario Alliance of Christian Schools, the schools with new facilities are experiencing a growth of approximately 20% per year.

6. How many more families can a new facility attract?

RESPONSE:

The new facility will accommodate up to 300 to 325 students which is approximately 75-100 more than are currently enrolled at HMDCS. Within the Ontario Alliance of Christian Schools, the schools with new facilities are experiencing a growth of approximately 20% per year. This population growth pattern is in keeping with projections reflected in the Malone Report for the new Bathurst site.

7. I'm not in agreement with the site they've chosen for the new school so I'm not interested in supporting the campaign. Why would they have selected this location in the first place?

RESPONSE:

The site has been examined and endorsed by the Task Force and the Malone planning group. The society voted on and endorsed the site as well. We cannot be distracted by questions already answered. At the same time, if new information were to surface, that should be provided to the Board. The current priority needs to be securing funds for construction regardless of the site.

8. I never heard what happened to the last campaign or where the money went that they raised. How do I know that it wasn't used for other needs and not reserved for the new facility?

RESPONSE:

Rest assured that those funds have only, and will only be used for the new facility. The total funds collected were \$607,000 of which \$425,000 was used to purchase the property for the new facility. In addition to this, some of the funds have been used to perform site investigations and to initiate the capital campaign. The remaining funds are being utilized to fund the capital campaign and will kick start the construction of the new facility.

9. Is this a new project or a second phase?

RESPONSE:

This is a new fundraising campaign with a goal of \$4 million. This has been identified as both a realistic goal and will provide sufficient funds for the construction of a new building on the site already owned by the society.

10. Are there funds in place from the previous campaign?

RESPONSE:

The previous campaign resulted in \$607,000 collected of which \$425,000 was used to purchase the property for the new facility. In addition to this, some of the funds have been used to perform site investigations and to initiate the capital campaign. The remaining funds are being utilized to fund the capital campaign and will kick start the construction of the new facility.

11. Is the \$4 million goal starting from zero or built on previous donations or pledges?

RESPONSE:

The \$4 million goal is the goal of the current campaign starting from zero. Anyone with outstanding pledges will be asked to roll those pledges into the current campaign.

12. I understand there are concerns around the water, sewage and flood plain. What has been done to address this?

RESPONSE:

The Malone Report addresses these issues and shows the Bathurst Street site is viable. This report is available on the school's website.

13. What is the endowment fund, how will it function and what is its purpose?

RESPONSE:

An endowment is a permanent gift that is invested for a minimum of ten years. The interest or income earned on that investment is used by the school each year for items such as operating expenses and tuition assistance. The endowment fund at HMDCS has been set up and is administered through Christian Stewardship Services, an independent organization with 30 years of experience in assisting with estate and gift planning.

Up to ten percent of the \$4 million raised through this capital campaign will be set aside for the endowment fund. Donors will have the option to 'opt' out of having 10% of their gift designated to the endowment fund, and no more than 10% can be designated through this capital campaign.

14. When is it expected that the construction of the new school will start and when will we move into the new school? Also, how much will we need to have fundraised before the shovel can go in the ground?

RESPONSE:

The Board of Directors has made the commitment that construction of the new school will not commence until 90% of the campaign goal has been confirmed in pledges. Therefore, the timing of the shovel going in the ground and the eventual opening of the new school is based on the success of the campaign and the community's support.

15. Who will be canvassed?

RESPONSE:

Over the coming months, we will be approaching everyone in our support community to provide them with the opportunity to make a gift to the campaign. We will be meeting with current and past grandparents, parents, volunteers, and staff, as well as our alumni and supporting churches to ensure our campaign is a success and a new school for HMDCS becomes a reality.

16. What is the policy on how the funds collected will be held or invested until needed for construction?

RESPONSE:

As per the existing practice, all funds for the capital campaign account will be held in the specific capital campaign bank account including GICs at CIBC.

17. What if we fall short of the \$4 million fundraising goal?

RESPONSE:

Our plan is to continue to fundraise until we reach the \$4 million goal. In the unlikely event that we fall short, the funds raised will still be used for a new building. However, the final design may need to be adjusted.

18. How much will my income tax receipt be for if I make a gift to the campaign?

RESPONSE:

All gifts to the capital campaign will be eligible for a 100% income tax receipt. This is totally unrelated to the cost of education deductions usually applied to operating budget donations made by parents.

19. May we give different amounts in different years for our pledge payments?

RESPONSE:

Yes. A flexible payment plan on a pledge to the campaign can be created to best suit the financial situation of each donor. Therefore, each pledge payment can be of a different amount in any given month or year through the pledge payment period.