

Calgary Waldorf School Society

Audited Financial Statements

August 31, 2020

Independent Auditors' Report

To: The Members of **Calgary Waldorf School Society**

Opinion

We have audited the financial statements of Calgary Waldorf School Society (the "Society"), which comprise the statement of financial position as at August 31, 2020 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

Independent Auditors' Report (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

November 19, 2020
Calgary, Alberta

CALGARY WALDORF SCHOOL SOCIETY

Statements of Financial Position

As at August 31,

	2020				2019	
	General Operating Fund	General Supplementary Fund	General Subtotal	Restricted Fund	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT						
Cash and cash equivalents	116,884	317,390	434,274	772,410	1,206,684	1,633,591
Accounts receivable	60,657	-	60,657	-	60,657	30,654
Inventory	-	102,245	102,245	-	102,245	125,991
Prepaid expenses	14,270	-	14,270	-	14,270	190,324
	191,811	419,635	611,446	772,410	1,383,856	1,980,560
Capital assets, at cost (Note 6)	742,696	-	742,696	-	742,696	716,832
Less accumulated amortization (Note 6)	(622,061)	-	(622,061)	-	(622,061)	(596,176)
	120,635	-	120,635	-	120,635	120,656
Loans due from Calgary Waldorf Building Society (Note 7)	855,556	-	855,556	3,148,439	4,003,995	3,148,439
	1,168,002	419,635	1,587,637	3,920,849	5,508,486	5,249,655
LIABILITIES						
CURRENT						
Accounts payable and accrued liabilities	77,884	-	77,884	-	77,884	53,797
Deferred revenue (Note 8)	425,260	-	425,260	-	425,260	686,687
	503,144	-	503,144	-	503,144	740,484
GUARANTEES & COMMITMENTS (Note 9)						
NET ASSETS						
Unrestricted net assets	544,223	-	544,223	-	544,223	42,327
Investment in capital assets	120,635	-	120,635	-	120,635	120,656
Restricted net assets (Note 10)	-	419,635	419,635	3,920,849	4,340,484	4,346,188
	664,858	419,635	1,084,493	3,920,849	5,005,342	4,509,171
	1,168,002	419,635	1,587,637	3,920,849	5,508,486	5,249,655

APPROVED BY THE BOARD

Shaad Osman

.....


CALGARY WALDORF SCHOOL SOCIETY
General Operating Fund
Statements of Operations and Net Assets
Year Ended August 31,

	2020	2019
	\$	\$
REVENUE		
Tuition and other fees	2,319,298	2,520,621
Alberta education grants	1,129,865	1,315,531
Government assistance (Note 14)	465,798	-
Rental and other	21,460	29,438
School-generated funds	18,965	89,805
	3,955,386	3,955,395
EXPENSES		
CLASSROOM		
Salaries and employee benefits	2,170,353	2,353,408
Material, supplies and contract services	89,661	104,415
School-generated fund expenses	18,965	89,805
	2,278,979	2,547,628
ADMINISTRATIVE		
Salaries and employee benefits	564,626	629,452
Office and miscellaneous	111,188	145,254
Amortization	25,885	29,198
Professional fees	31,716	73,287
Goods and Services Tax	9,567	14,126
	742,982	891,317
BUILDING AND OPERATIONS		
Rent (Note 16)	194,184	334,184
Maintenance	104,065	87,129
Utilities	76,461	83,157
Janitorial	60,285	81,165
	434,995	585,635
Total Expenses	3,456,956	4,024,580
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	498,430	(69,185)
TRANSFER TO:		
Restricted Fund for Tuition Assistance	(22,419)	(23,905)
TRANSFER FROM:		
Restricted Fund for Asset Purchases	25,864	41,855
TOTAL TRANSFERS	3,445	17,950
BALANCE, BEGINNING OF YEAR	162,983	214,218
BALANCE, END OF YEAR	664,858	162,983

See accompanying notes to the financial statements

CALGARY WALDORF SCHOOL SOCIETY
General Supplementary Fund
Statements of Operations and Net Assets
Year Ended August 31,

	2020	2019
	\$	\$
REVENUE		
Donations	65,688	43,808
Grocery cards	49,949	49,828
Fundraising	39,424	37,757
Interest income	24,924	16,065
	<u>179,985</u>	<u>147,458</u>
EXPENSES		
Fundraising	23,283	20,640
Other	14,796	810
	<u>38,079</u>	<u>21,450</u>
EXCESS OF REVENUE OVER EXPENSES	<u>141,906</u>	<u>126,008</u>
TRANSFER TO:		
Restricted Fund	(129,610)	(147,560)
BALANCE, BEGINNING OF YEAR	<u>407,339</u>	428,891
BALANCE, END OF YEAR	<u>419,635</u>	<u>407,339</u>

See accompanying notes to financial statements

CALGARY WALDORF SCHOOL SOCIETY**Restricted Fund****Statements of Operations and Net Assets****Year Ended August 31,**

	2020	2019
	\$	\$
REVENUE (Note 10)		
Income from Tuition Assistance Endowment Fund	41,151	38,435
Donations to Restricted Funds	10,149	11,823
Fundraising	252	2,294
Casino	-	70,220
	<u>51,552</u>	<u>122,772</u>
EXPENSES (Note 10)	195,717	226,870
DEFICIENCY OF REVENUE OVER EXPENSES	<u>(144,165)</u>	<u>(104,098)</u>
TRANSFER TO:		
General Operating Fund for Asset Purchases	(25,864)	(41,855)
TRANSFER FROM:		
General Supplementary Fund	129,610	147,560
General Operating Fund for Tuition Assistance	22,419	23,905
TOTAL TRANSFERS	<u>126,165</u>	<u>129,610</u>
BALANCE, BEGINNING OF YEAR	<u>3,938,849</u>	3,913,337
BALANCE, END OF YEAR	<u><u>3,920,849</u></u>	<u>3,938,849</u>

See accompanying notes to financial statements

CALGARY WALDORF SCHOOL SOCIETY

Statements of Changes in Net Assets

August 31, 2020

	2020			2019	
	Unrestricted Net Assets \$	Investment in Capital Assets \$	Restricted Net Assets \$	Total \$	Total \$
BALANCE, BEGINNING OF YEAR	42,327	120,656	4,346,188	4,509,171	4,556,446
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES					
General Operating	498,430	-	-	498,430	(69,185)
General Supplementary	141,906	-	-	141,906	126,008
Restricted	-	-	(144,165)	(144,165)	(104,098)
Amortization	25,885	(25,885)	-	-	-
INTERNAL TRANSFERS					
Transfer from General Operating to Restricted for tuition assistance	(22,419)	-	22,419	-	-
Transfer from Restricted to General Operating for asset purchases	-	25,864	(25,864)	-	-
Transfer General Supplementary excess of revenue over expenses from Unrestricted Net Assets to Restricted Net Assets	(141,906)	-	141,906	-	-
Transfer within Restricted Net Assets from General Supplementary to Restricted	-	-	(129,610)	(129,610)	(147,560)
	-	-	129,610	129,610	147,560
BALANCE, END OF YEAR	544,223	120,635	4,340,484	5,005,342	4,509,171

See accompanying notes to the financial statements

CALGARY WALDORF SCHOOL SOCIETY**Statements of Cash Flows****Year Ended August 31,**

	2020	2019
	\$	\$
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (deficiency) of revenue over expenses:		
General operating fund	498,430	(69,185)
General supplementary fund	141,906	126,008
Restricted fund	(144,165)	(104,098)
	<u>496,171</u>	<u>(47,275)</u>
Items not affecting cash:		
Amortization	25,885	29,198
Changes in non-cash working capital balances:		
Accounts receivable	(30,003)	8,831
Inventory	23,746	(23,826)
Prepaid expenses	176,054	24,299
Accounts payable and accrued liabilities	24,087	5,646
Deferred revenue	(261,427)	(25,285)
	<u>454,513</u>	<u>(28,412)</u>
INVESTING		
Purchases of capital assets	(25,864)	(41,855)
Loan advanced to Calgary Waldorf Building Society	(855,556)	-
	<u>(881,420)</u>	<u>(41,855)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(426,907)	(70,267)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,633,591	1,703,858
CASH AND CASH EQUIVALENTS, END OF YEAR	1,206,684	1,633,591
Cash and cash equivalents comprises:		
Cash	762,638	1,196,047
Guaranteed investment certificates	444,046	437,544
	<u>1,206,684</u>	<u>1,633,591</u>

See accompanying notes to the financial statements

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

1. PURPOSE OF THE SOCIETY

The Calgary Waldorf School Society (the "Society") was incorporated under the laws of the Province of Alberta on October 24, 1985 for the purpose of operating an accredited private school. As such, the Society qualifies for funding from the provincial government. The Society is a registered charity which is exempt from corporate income tax. In June 2011 the Calgary Waldorf School was approved as an accredited full member of the Association of Waldorf Schools of North America (AWSNA). The Society operates a Preschool, Kindergarten and Grades One to Nine School in Calgary, Alberta.

These financial statements do not include assets, liabilities, and net assets of the Calgary Waldorf Building Society from which the Society leases its premises.

2. NOVEL CORONAVIRUS ("COVID-19")

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19" was declared a global pandemic by the World Health Organization on March 11, 2020. The Government of Alberta declared a State of Emergency in regards to the pandemic on March 17, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring the closure of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilise economic conditions. On April 30, 2020 the Government of Alberta announced a phased relaunch strategy outlining the relaxing of certain measures starting mid-May 2020, conditional on the results of ongoing monitoring of test results for COVID-19 in the province.

As a result of the pandemic and government measures, the Society shut down the school effective March 17, 2020. The majority of programs continued and were delivered in an alternative format. The Society has shifted their focus to marketing in order to increase enrolment going forward in response to the pandemic and applied for government support initiatives.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments.

3. CHANGE IN ACCOUNTING POLICY

Effective September 1, 2019 the Society adopted the CPA Canada Handbook Section 4433 Tangible Capital Assets Held by Not-for-Profit Organizations which replaces the previous guidance in Section 4431 concerning the recognition, measurement, presentation and disclosure of capital assets.

The new section was adopted on a prospective basis in accordance with the transitional provisions. There was no numeric impact to the Society's financial statements arising from the adoption of the accounting pronouncement.

4. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the financial reporting framework specified in Alberta Regulation 93/2019 Private Schools Regulation and with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organisations ("ASNFP").

(a) Fund accounting

The Society uses fund accounting to report its various activities as follows:

General Operating Fund

This fund accounts for the Society's program delivery and administrative activities. This fund reports restricted operating grants, and funds raised for student activities.

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

General Supplementary Fund

This fund accounts for unrestricted resources that are not received as part of general operations and have not been allocated to a specific restricted purpose. The Board has internally restricted the remaining net assets in this fund for future designation to other restricted funds.

Restricted Fund

The restricted fund includes several special purpose restricted funds as follows:

Building fund accounts for cash donations and internal transfers designated towards obtaining a building. The majority of the funds were loaned to the Calgary Waldorf Building Society to finance construction of the Cougar Ridge facility.

Future operations fund is a contingency reserved for potential fluctuations in enrolment that may affect revenues in the general operating fund. The Board of Directors has the authority to transfer the excess of revenue over expenses in the general operating fund to the future operations fund at year-end or to retain the excess in the general operating fund to offset future planned expenses. The Board of Directors also has the authority to unrestrict the future operations fund or to transfer to other restricted funds.

Casino fund accounts for proceeds received and interest earned from casinos held under the approval of the Alberta Gaming Commission. Expenditures are for costs related to the building mortgage, rental costs or a building reserve/improvement fund and are also approved by the Alberta Gaming Commission.

Teacher training fund accounts for costs of training staff in Waldorf pedagogy, including Waldorf certification training costs, onsite Waldorf training courses, and training costs for other Waldorf certification such as remedial training and spatial dynamics.

Tuition assistance fund accounts for donations, receipts from the Tuition Assistance Endowment Fund (Note 12), and 1% of tuition fees, to be used to reduce tuition fees for parents qualifying for assistance under the Tuition Assistance Criteria as determined by an appointed committee.

Equipment purchases fund accumulates funding for large equipment purchases such as tables, chairs, administration computers and facility and playground improvements.

Special student programs fund accounts for the costs of teachers' salaries and travel costs and fees associated with professionals contracted to provide enhancements to student programs such as learning support, social inclusion, lunch program and drama.

Library fund accounts for the purchase of books over and above the regular annual budget in order to enhance the opportunity for students to read quality material.

Instructional equipment fund accounts for the purchases of classroom equipment and resources in addition to the regular annual classroom supply costs. Examples of fund purchases are sets of mathematics manipulatives and musical instrument repairs.

Master teaching fund accounts for the costs of travel, accommodation, and fees for visiting Master Waldorf teachers and Association of Waldorf Schools of North America (AWSNA) accreditation costs.

(b) Related entity

The Society has a mutual economic interest with the Calgary Waldorf Building Society. Related entity transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related entities.

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Cash equivalents

The Society considers all bank accounts and bank loans that are utilised periodically for day to day operations, redeemable guaranteed investment certificates, and all investments with maturities of three months or less to be cash equivalents.

(d) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognised in the statement of operations for the applicable fund.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable, and loans due from Calgary Waldorf Building Society.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognised in the statement of operations for the applicable fund. The previously recognised 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 recognised previously. The amount of the reversal is recognised in the statement of operations for the applicable fund.

(e) Inventory

Inventory is recorded at the lower of cost and net realisable value. Cost is determined using the specific identification method. Previous write-downs to net realisable value are reversed to the extent there is a subsequent increase in net realisable value of the inventories.

(f) Capital assets

Capital assets are recorded at cost. Contributed equipment is recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis at 20%.

Leasehold Improvements are recorded at cost. Amortization is provided on a declining balance basis over the remaining term of the renewable lease.

The Society records a write-down when a capital asset no longer contributes to the Society's ability to provide services, or that the future economic benefits or service potential associated with it are less than the net carrying amount. The excess of the asset's net carrying amount over its fair value of replacement cost is recognised as an expense in the statement of operations.

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Revenue recognition

Tuition and other fees are recognised as revenue in the general operating fund when instruction and programs are delivered.

Unrestricted contributions are recognised as revenue in the general supplementary fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to the general operations, including school generated funds, are recognised as revenue in the general funds in the year in which the related expenses are incurred. All other restricted contributions are recognised as revenue of the restricted fund when the amount can be reasonably estimated and collection is reasonably assured.

(h) Contributed materials and services

The Society records the value of contributed materials and services when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society's operations and would otherwise have been purchased.

(i) Government assistance

Government assistance related to current expenditures are accrued as revenue of the General Operating Fund when there is reasonable assurance that the amounts will be realised. The government assistance in the form of wage subsidies are subject to government approval.

5. BANK LOAN

Overdraft protection has been authorised by the bank to a maximum of \$100,000, bearing interest at the bank's prime plus 1% lending rate. A general security agreement covering all assets of the Society has been pledged as security. The Calgary Waldorf Building Society has guaranteed the loans of the Society. No amount is outstanding on the bank loan at year end.

6. CAPITAL ASSETS

			2020	2019
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computers	167,679	114,584	53,095	40,505
Furniture and fixtures	333,040	319,352	13,688	17,110
Leasehold improvements	122,868	88,675	34,193	38,467
Machinery and equipment	58,701	40,813	17,888	22,360
Musical instruments	60,408	58,637	1,771	2,214
	<u>742,696</u>	<u>622,061</u>	<u>120,635</u>	<u>120,656</u>

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

7. LOANS DUE FROM CALGARY WALDORF BUILDING SOCIETY

A loan of \$3,148,439 has been advanced to the Calgary Waldorf Building Society from the restricted building fund from monies raised for the construction of the facility of the Calgary Waldorf School Society. This loan bears no interest and is not repayable until such time as the Building Society sells the school premises. The loan arrangement is defined in the Intersociety Memorandums of Loan Agreement and Mutual Cooperation dated January 8, 2010.

During the year, an additional loan of \$855,556 was advanced from the General Operating Fund to the Calgary Waldorf Building Society to fully repay the mortgage held by the Building Society. This loan bears interest at the bank's prime lending rate plus 0.50% and is due on demand with a maturity date of July 8, 2030. As at August 31, 2020, interest accrued is \$13,329 and is included in accounts receivable. The loan agreement requires the Building Society to maintain an authorised amount on the CIBC Line of Credit no less than the outstanding balance of this loan to allow the Society to demand repayment at any given time.

Since there is no requirement to repay the loans during the next fiscal year, the amounts have been classified as non-current receivables.

8. DEFERRED REVENUE

The deferred revenue reported in the General Operating Fund represents tuition received in the current period that is related to the subsequent period, and School-generated fees and class fundraising for Student Activities received in the current period that has not been spent in the current period.

	2020	2019
	\$	\$
Deferred school generated funds, beginning of year	34,120	26,060
School generated funds received	6,782	97,865
School generated revenues recognised	(18,965)	(89,805)
Deferred school generated funds, end of year	21,937	34,120
Deferred tuition fees	403,323	652,567
Deferred revenue, end of year	425,260	686,687

9. GUARANTEES AND COMMITMENTS

The Society has provided a guarantee for bank loans of the Calgary Waldorf Building Society to a maximum of \$1,000,000 (2019 - \$4,500,000). As at August 31, 2020, the Building Society had bank loans outstanding of \$nil (2019 - \$911,111) to which the guarantee applies. The amount of this debt represents the maximum amount that the Society could be required to pay under the guarantee. If the Building Society fails to repay its debt to the Canadian Imperial Bank of Commerce (CIBC), the CIBC is entitled to seek repayment from the Society.

A lease agreement effective September 1, 2009 for the rental of premises from the Calgary Waldorf Building Society is for a 10 year period, with the option to renew for another two, five year terms. The Society renewed the lease agreement for an additional five year term commencing September 1, 2019. The Society's annual rental rate is \$334,184 (2019 - \$334,184) plus specified operating costs with annual variations based on interest rates plus an annual capital improvement fee of \$50,000 for the remainder of the lease. The Society was approved for a rent reduction for the current year of \$140,000 and \$170,000 for the year ended 2021.

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

10. RESTRICTED NET ASSETS

Major categories of externally and internally imposed restrictions on net assets are as follows:

	2019				2020
	Opening Balance	Revenue	Expenses	Transfers	Ending Balance
	\$	\$	\$	\$	\$
Restricted Building Fund	3,152,146	-	-	-	3,152,146
Restricted Future Operations Fund ¹	743,369	-	-	-	743,369
Restricted Casino Fund ²	36,922	-	(36,922)	-	-
Restricted Teacher Training Fund	1,244	4,201	9,800	-	15,245
Restricted Tuition Assistance Fund	42	47,174	(166,234)	119,019	1
Restricted Equipment Purchases Fund	2	-	(160)	166	8
Restricted Special Student Programs Fund	70	-	-	-	70
Restricted Library Fund	46	177	(1,967)	1,750	6
Restricted Instructional Equipment Fund	4	-	(234)	230	-
Restricted Master Teacher/Accreditation Fund	5,004	-	-	5,000	10,004
	<u>3,938,849</u>	<u>51,552</u>	<u>(195,717)</u>	<u>126,165</u>	<u>3,920,849</u>
Internally Restricted Supplementary Fund	407,339	179,985	(38,079)	(129,610)	419,635
	<u>4,346,188</u>	<u>231,537</u>	<u>(233,796)</u>	<u>(3,445)</u>	<u>4,340,484</u>

¹ Transfer of accumulated excess of revenue over expenses from the general operating fund to a contingency fund reserved for potential fluctuations in enrolment that may affect future revenues.

² Casino funding is externally restricted to fund costs related to the building mortgage, rent, or a building reserve/improvement fund and must be approved by the Alberta Gaming and Liquor Commission.

11. SALARIES AND EMPLOYEE BENEFITS

Pension

The Society has a defined contribution pension plan with the Alberta Teacher Retirement Fund (ATRF) for its teaching staff employees. The assets of the plan are held separately from those of the Society in an independently administered fund. Contributions of \$146,786 (2019 - \$135,604) were paid and expensed by the Society. The amount is recorded as salary expense in the general operating fund.

Early Literacy

Included in salaries and employee benefits are expenditures related to the funding provided by Alberta Education for the Early Literacy Program in the amount of \$7,343 (2019 - \$9,737).

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

12. THE CALGARY WALDORF SCHOOL ENDOWMENT FUNDS

The Calgary Foundation holds two Endowment Funds for the Calgary Waldorf School. The Tuition Assistance Endowment Fund consists of an initial capital contribution of \$500,000 in 2000 and an additional capital contribution in 2010 of \$266,852. The market value of the Tuition Assistance Endowment Fund at August 31, 2020 was \$1,000,146 (2019 - \$999,170). Five percent of the market value of the fund will be available to the Society each year to provide tuition assistance for students with financial needs. To receive the interest the amount must be matched by the Society with fundraising dollars.

The CWS Sustainability Endowment Fund was formed in August 2015 to support the Calgary Waldorf School's General Operations and reduce general tuition fees. Five percent of the market value of the fund will be available to the Society for the General Operations Fund once the Sustainability Fund reaches a principal amount of \$500,000. The market value of the Sustainability Fund at August 31, 2020 was \$133,395 (2019 - \$127,692).

The Society has signed agreements with the Calgary Foundation for the Tuition Assistance Fund and the Sustainability Fund stating that all capital contributions in the Funds are to be held by the Calgary Foundation in perpetuity for the Society. Final authority over the disbursement of all amounts relating to these funds rests with the Calgary Foundation. As a result, the total fund amounts are not recorded in the books of the Society.

13. VOLUNTEER HOURS

Volunteers contribute their time to assist the Society in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognised in these financial statements.

14. GOVERNMENT ASSISTANCE

The Society received federal government wage subsidies related to COVID-19 pandemic measures in the amount of \$465,798 (2019 - \$nil) which was included in revenue of the General Operating Fund.

15. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from members of the Society.

Market Risk

The Society is exposed to the risk that the fair value of its investments bearing interest at a fixed rate will fluctuate because of changes in the market rate of interest.

Financial Assets

All of the Society's financial assets are measured at amortized cost.

CALGARY WALDORF SCHOOL SOCIETY

Notes to the Financial Statements

Year Ended August 31, 2020

16. RELATED PARTIES

The Calgary Waldorf Building Society was incorporated under the laws of the Province of Alberta. The Building Society is a not-for-profit society that owns and operates a building for the use of the Calgary Waldorf School Society and as such is a Society with a mutual economic interest.

The resources of the Calgary Waldorf Building Society are restricted to the operation and maintenance of buildings used by the Calgary Waldorf School Society.

The Calgary Waldorf Building Society has not been consolidated in the School Society's financial statements. A financial summary of the entity as at August 31, 2020 and 2019 and for the years then ended are as follows:

	2020 \$	2019 \$
FINANCIAL POSITION		
Total Assets	5,860,186	6,002,976
Liabilities		
Construction Loan	-	911,111
Due to Calgary Waldorf School Society	4,003,995	3,148,439
Other Liabilities	6,511	900
Total Liabilities	4,010,506	4,060,450
Total Net Assets	1,849,680	1,942,526
RESULTS OF OPERATIONS		
Rental and other revenues	245,616	387,159
Expenses		
Interest	36,514	48,171
Amortization	184,894	184,894
Repairs & Maintenance	86,459	350,802
Other	30,595	52,264
	338,462	636,131
Excess of revenues over expenses	(92,846)	(248,972)
Net Assets, beginning of year	1,942,526	2,191,498
Net Assets, end of year	1,849,680	1,942,526
Cash		
Cash provided by operating activities	88,346	(64,965)
Cash used in financing activities	(55,555)	(133,333)
Increase (decrease) in cash	32,791	(198,298)
Cash, beginning of year	279,554	477,853
Cash, end of year	312,345	279,554

The Calgary Waldorf Building Society's financial statements have not been reviewed or audited.

The following transactions are in the normal course of operations and have been measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties:

The Society paid \$194,184 (2019 - \$334,184) for annual rent from the General Operating Fund and \$50,000 (2019 - \$50,000) for the capital improvement fee from the Casino Fund and Supplementary Funds to the Calgary Waldorf Building Society.