

# **Calgary Waldorf School Society**

**Audited Financial Statements**

**August 31, 2017**



## Independent Auditors' Report

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

We have audited the accompanying financial statements of Calgary Waldorf School Society, which comprise the statement of financial position as at August 31, 2017, and the statements of operations and net assets, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Calgary Waldorf School Society as at August 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Kenway Mack Slusarchuk Stewart LLP*

November 23, 2017  
Calgary, Alberta

Chartered Professional Accountants,  
Chartered Accountants

# CALGARY WALDORF SCHOOL SOCIETY

## Statements of Financial Position

August 31, 2017

	2017				2016	
	General Operating Fund	General Supplementary Fund	General Subtotal	Restricted Fund	Total	Total
	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>						
<b>CURRENT</b>						
Cash and cash equivalents	739,888	312,563	1,052,451	748,863	<b>1,801,314</b>	1,806,545
Accounts receivable	15,136	-	15,136	-	<b>15,136</b>	17,948
Inventory	-	121,480	121,480	-	<b>121,480</b>	133,428
Prepaid expenses	65,500	-	65,500	-	<b>65,500</b>	35,017
	<b>820,524</b>	<b>434,043</b>	<b>1,254,567</b>	<b>748,863</b>	<b>2,003,430</b>	<b>1,992,938</b>
Capital assets, at cost (Note 4)	684,417	-	684,417	-	<b>684,417</b>	670,334
Less accumulated amortization (Note 4)	(590,013)	-	(590,013)	-	<b>(590,013)</b>	(574,051)
	<b>94,404</b>	<b>-</b>	<b>94,404</b>	<b>-</b>	<b>94,404</b>	<b>96,283</b>
Due from Calgary Waldorf Building Society (Note 5)	-	-	-	3,148,439	<b>3,148,439</b>	3,148,439
	<b>914,928</b>	<b>434,043</b>	<b>1,348,971</b>	<b>3,897,302</b>	<b>5,246,273</b>	<b>5,237,660</b>
<b>LIABILITIES</b>						
<b>CURRENT</b>						
Accounts payable and accrued liabilities	44,781	-	44,781	-	<b>44,781</b>	46,921
Deferred revenue (Note 6)	701,296	-	701,296	-	<b>701,296</b>	715,445
	<b>746,077</b>	<b>-</b>	<b>746,077</b>	<b>-</b>	<b>746,077</b>	<b>762,366</b>
<b>GUARANTEES &amp; COMMITMENTS (Note 7)</b>						
<b>NET ASSETS</b>						
Unrestricted net assets	74,447	-	74,447	-	<b>74,447</b>	27,282
Investment in capital assets	94,404	-	94,404	-	<b>94,404</b>	96,283
Restricted net assets (Note 8)	-	434,043	434,043	3,897,302	<b>4,331,345</b>	4,351,729
	<b>168,851</b>	<b>434,043</b>	<b>602,894</b>	<b>3,897,302</b>	<b>4,500,196</b>	<b>4,475,294</b>
	<b>914,928</b>	<b>434,043</b>	<b>1,348,971</b>	<b>3,897,302</b>	<b>5,246,273</b>	<b>5,237,660</b>

### APPROVED BY THE BOARD

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

	2017	2016
	\$	\$
<b>REVENUE</b>		
Tuition and other fees	2,431,085	2,340,860
Alberta education grants	1,272,030	1,315,733
School-generated funds	131,308	133,411
Rental and other	38,488	40,476
	<u>3,872,911</u>	<u>3,830,480</u>
<b>EXPENSES</b>		
<b>CLASSROOM</b>		
Salaries and employee benefits	2,238,956	2,274,044
Material, supplies and contract services	61,980	115,317
School-generated fund expenses	131,308	133,411
	<u>2,432,244</u>	<u>2,522,772</u>
<b>ADMINISTRATIVE</b>		
Salaries and employee benefits	583,944	543,675
Office and miscellaneous	120,387	117,887
Amortization	15,962	17,946
Professional fees	24,000	23,000
Goods and Services Tax	13,946	12,333
	<u>758,239</u>	<u>714,841</u>
<b>BUILDING AND OPERATIONS</b>		
Rent (Note 13)	334,184	324,450
Utilities	83,520	74,484
Janitorial	75,880	80,896
Maintenance	134,699	119,599
	<u>628,283</u>	<u>599,429</u>
Total Expenses	<u>3,818,766</u>	<u>3,837,042</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>54,145</u>	<u>(6,562)</u>
<b>TRANSFER TO:</b>		
Restricted Fund for AWSNA Accreditation	-	(1,500)
Restricted Fund for Tuition Assistance	(22,942)	(22,096)
<b>TRANSFER FROM:</b>		
Restricted Fund for Asset Purchases	14,083	-
<b>TOTAL TRANSFERS</b>	<u>(8,859)</u>	<u>(23,596)</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<u>123,565</u>	<u>153,723</u>
<b>BALANCE, END OF YEAR</b>	<u>168,851</u>	<u>123,565</u>

*See accompanying notes to the financial statements*

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

	2017	2016
	\$	\$
<b>REVENUE</b>		
Donations	71,172	78,644
Grocery Cards	56,541	58,041
Fundraising	48,486	55,513
Interest Income	8,027	9,369
	<u>184,226</u>	<u>201,567</u>
<b>EXPENSES</b>		
Fundraising	27,069	30,908
Other	28,445	1,198
	<u>55,514</u>	<u>32,106</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>128,712</u>	<u>169,461</u>
TRANSFER TO:		
Restricted Fund	(123,400)	(112,400)
<b>BALANCE, BEGINNING OF YEAR</b>	<u>428,731</u>	<u>371,670</u>
<b>BALANCE, END OF YEAR</b>	<u><u>434,043</u></u>	<u><u>428,731</u></u>

*See accompanying notes to financial statements*

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

	2017	2016
	\$	\$
<b>REVENUE</b> (Note 8)		
Income from Tuition Assistance Endowment Fund	<b>38,691</b>	35,854
Donations to Restricted Funds	<b>10,825</b>	12,406
Fundraising	<b>2,581</b>	2,944
Casino	-	72,280
	<b>52,097</b>	123,484
<b>EXPENSES</b> (Note 8)	<b>210,052</b>	237,812
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>(157,955)</b>	(114,328)
<b>TRANSFER TO:</b>		
General Operating Fund for Asset Purchases	<b>(14,083)</b>	-
<b>TRANSFER FROM:</b>		
General Supplementary Fund	<b>123,400</b>	112,400
General Operating Fund for Tuition Assistance	<b>22,942</b>	22,096
General Operating Fund for AWSNA Accreditation	-	1,500
<b>TOTAL TRANSFERS</b>	<b>132,259</b>	135,996
<b>BALANCE, BEGINNING OF YEAR</b>	<b>3,922,998</b>	3,901,330
<b>BALANCE, END OF YEAR</b>	<b>3,897,302</b>	3,922,998

*See accompanying notes to financial statements*

**CALGARY WALDORF SCHOOL SOCIETY****Statements of Changes in Net Assets**

August 31, 2017

	2017			2016	
	Unrestricted Net Assets \$	Investment in Capital Assets \$	Restricted Net Assets \$	Total \$	Total \$
<b>BALANCE, BEGINNING OF YEAR</b>	27,282	96,283	4,351,729	<b>4,475,294</b>	4,426,723
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>					
General Operating	54,145	-	-	<b>54,145</b>	(6,562)
General Supplementary	128,712	-	-	<b>128,712</b>	169,461
Restricted	-	-	(157,955)	<b>(157,955)</b>	(114,328)
Amortization	15,962	(15,962)	-	-	-
<b>INTERNAL TRANSFERS</b>					
Transfer from Restricted to General Operating for asset purchases	-	14,083	(14,083)	-	-
Transfer from General Operating to Restricted for tuition assistance	(22,942)	-	22,942	-	-
Transfer General Supplementary excess of revenue over expenses from Unrestricted Net Assets to Restricted Net Assets	(128,712)	-	128,712	-	-
Transfer within Restricted Net Assets from General Supplementary to Restricted	-	-	(123,400)	<b>(123,400)</b>	(112,400)
	-	-	123,400	<b>123,400</b>	112,400
<b>BALANCE, END OF YEAR</b>	74,447	94,404	4,331,345	<b>4,500,196</b>	4,475,294

*See accompanying notes to the financial statements*

**CALGARY WALDORF SCHOOL SOCIETY****Statements of Cash Flows**

Year Ended August 31,

	2017	2016
	\$	\$
<b>CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Excess (Deficiency) of revenue over expenses:		
General operating fund	54,145	(6,562)
General supplementary fund	128,712	169,461
Restricted fund	(157,955)	(114,328)
	<u>24,902</u>	<u>48,571</u>
Items not affecting cash:		
Amortization	15,962	17,946
Changes in non-cash working capital balances:		
Accounts receivable	2,812	(692)
Inventory	11,948	11,600
Prepaid expenses	(30,483)	(9,419)
Accounts payable and accrued liabilities	(2,140)	14,621
Deferred revenue	(14,149)	34,041
	<u>8,852</u>	<u>116,668</u>
<b>INVESTING</b>		
Repayments from Calgary Waldorf Building Society	-	91,720
Purchases of capital assets	(14,083)	-
	<u>(14,083)</u>	<u>91,720</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,231)</b>	<b>208,388</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,806,545</b>	<b>1,598,157</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>1,801,314</b>	<b>1,806,545</b>
<b>Cash and cash equivalents comprises:</b>		
Cash	1,322,548	1,332,158
Guaranteed investment certificates	478,766	474,387
	<u>1,801,314</u>	<u>1,806,545</u>

*See accompanying notes to the financial statements*



# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

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### 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance 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.

#### *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.

# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *Restricted Fund (cont'd)*

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 10), 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, musical instrument repairs and organic food for the early childhood programs.

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.

#### *(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.

# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### *(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 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 has long-term service potential to the Society and the net carrying value exceeds the residual value.

#### *(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.

# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

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### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

### 3. 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.

### 4. CAPITAL ASSETS

	2017		2016	
	Cost	Amortization	Net Book Value	Net Book Value
		Amortization		
	\$	\$	\$	\$
Computers	148,231	119,204	29,027	35,412
Furniture and fixtures	320,714	307,618	13,096	16,370
Leasehold improvements	122,868	75,853	47,015	37,918
Machinery and equipment	32,196	30,390	1,806	2,258
Musical instruments	60,408	56,948	3,460	4,325
	<u>684,417</u>	<u>590,013</u>	<u>94,404</u>	<u>96,283</u>

### 5. 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. 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. Since there is no requirement to repay the loan amount during the next fiscal year, the amount has been classified as non-current receivable.

### 6. 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.

	2017	2016
	\$	\$
Deferred school generated funds, beginning of year	11,896	17,512
School generated funds received	131,625	127,795
School generated revenues recognised	<u>(131,308)</u>	<u>(133,411)</u>
Deferred school generated funds, end of year	12,213	11,896
Deferred tuition fees	<u>689,083</u>	<u>703,549</u>
Deferred revenue, end of year	<u>701,296</u>	<u>715,445</u>

# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

### 7. GUARANTEES AND COMMITMENTS

The Society has provided a guarantee for loans of the Calgary Waldorf Building Society to a maximum of \$4,500,000. This guarantee arose in the year ended August 31, 2002, when the Building Society acquired financing to construct a building, and will be in place until the financing is repaid, which is scheduled to be in 2027. 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. As at August 31, 2017, the Building Society had \$1,177,778 of loans outstanding 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.

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 pays the committed rental annual rate of \$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.

### 8. RESTRICTED NET ASSETS

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

	2016				2017
	Opening Balance	Revenue	Expenses	Transfers	Ending Balance
	\$	\$	\$	\$	\$
Restricted Building Fund	3,152,146	-	-	-	3,152,146
Restricted Future Operations Fund <sup>1</sup>	743,369	-	-	-	743,369
Restricted Casino Fund <sup>2</sup>	22,280	-	(22,280)	-	-
Restricted Teacher Training Fund	2,782	6,657	(13,520)	4,100	19
Restricted Tuition Assistance Fund	172	44,816	(147,525)	102,942	405
Restricted Equipment Purchases Fund	30	50	(23,600)	23,617	97
Restricted Special Student Programs Fund	70	-	-	-	70
Restricted Library Fund	21	424	(2,000)	1,600	45
Restricted Instructional Equipment Fund	2,128	150	(1,127)	-	1,151
	<u>3,922,998</u>	<u>52,097</u>	<u>(210,052)</u>	<u>132,259</u>	<u>3,897,302</u>
Internally Restricted Supplementary Fund	428,731	184,226	(55,514)	(123,400)	434,043
	<u>4,351,729</u>	<u>236,323</u>	<u>(265,566)</u>	<u>8,859</u>	<u>4,331,345</u>

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

<sup>2</sup> 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.

# CALGARY WALDORF SCHOOL SOCIETY

## Notes to the Financial Statements

Year Ended August 31, 2017

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### 9. 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 \$145,388 (2016 - \$161,100) 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 \$10,376.

### 10. 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, 2017 was \$939,382 (2016 - \$909,812). 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, 2017 was \$110,736 (2016 - \$102,656)

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.

### 11. 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.

### 12. 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, 2017

### 13. 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, 2017 and 2016 and for the years then ended are as follows:

	2017 \$	2016 \$
<b>FINANCIAL POSITION</b>		
Total Assets	6,457,409	6,434,098
<b>Liabilities</b>		
Construction Loan	1,177,778	1,311,111
Due to Calgary Waldorf School Society	3,148,439	3,148,439
Other Liabilities	29,542	600
Total Liabilities	4,355,759	4,460,150
Total Net Assets	2,101,650	1,973,948
<b>RESULTS OF OPERATIONS</b>		
Rental and other revenues	384,745	375,493
<b>Expenses</b>		
Interest	46,523	52,497
Amortization	184,894	184,894
Other	25,626	21,490
	257,043	258,881
Excess of revenues over expenses	127,702	116,612
Net Assets, beginning of year	1,973,948	1,857,336
Net Assets, end of year	2,101,650	1,973,948
<b>Cash Flows</b>		
Cash provided by operating activities	341,343	301,806
Cash used in financing activities	(133,333)	(275,053)
Increase (decrease) in cash	208,010	26,753
Cash, beginning of year	157,182	130,429
Cash, end of year	365,192	157,182

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 \$334,184 (2016 - \$324,450) for annual rent from the Operating Fund and \$50,000 (2016 - \$50,000) for the Capital Improvement Fee from the Casino and Supplementary Funds to the Calgary Waldorf Building Society.

### 14. COMPARATIVE FIGURES

The financial statements for the prior year have been reclassified, where appropriate, to conform to the presentation used in the current year. These changes do not affect prior year's earnings.