

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION
(Operating as Trillium Waldorf School)
Financial Statements
Year Ended June 30, 2023

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

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Year Ended June 30, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Trillium Educational Initiative Charitable Corporation operating as Trillium Waldorf School

We have reviewed the accompanying financial statements of Trillium Educational Initiative Charitable Corporation, operating as Trillium Waldorf School, (the Organization) that comprise the statement of financial position as at June 30, 2023, and the statements of changes in net assets, operations 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 (ASNPO), 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Trillium Educational Initiative Charitable Corporation as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.



Guelph, Ontario
January 30, 2024

WCO Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Statement of Financial Position

June 30, 2023

	Current Fund 2023	Capital Campaign Fund 2023	New School Fund 2023	2023	2022
ASSETS					
CURRENT					
Cash	\$ 150,176	\$ 56,901	\$ 691	\$ 207,768	\$ 1,884,080
Investments	-	5,366	-	5,366	-
Accounts receivable <i>(Note 3)</i>	228,542	-	-	228,542	75,175
HST receivable	10,362	-	-	10,362	20,135
Inventory	11,263	-	-	11,263	3,860
Prepaid expenses	18,958	-	-	18,958	791
	419,301	62,267	691	482,259	1,984,041
CAPITAL ASSETS <i>(Note 4)</i>	17,612	-	4,193,309	4,210,921	23,925
INTERFUND LOAN <i>(Note 6)</i>	60,024	833,798	-	893,822	-
	\$ 496,937	\$ 896,065	\$ 4,194,000	\$ 5,587,002	\$ 2,007,966

prepared without audit - see accompanying notes

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Statement of Financial Position

June 30, 2023

	Current Fund 2023	Capital Campaign Fund 2023	New School Fund 2023	2023	2022
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	\$ 48,377	\$ -	\$ -	\$ 48,377	\$ 16,222
Employee deductions payable	17,746	-	-	17,746	18,182
Interest payable	-	-	30,672	30,672	8,558
Bonds payable (Note 5)	10,500	-	-	10,500	10,500
Deferred revenue (Note 7)	169,007	-	-	169,007	173,358
Deferred contributions (Note 8)	21,144	896,065	-	917,209	772,043
Current portion of long term debt (Note 10)	40,000	-	178,365	218,365	-
	306,774	896,065	209,037	1,411,876	998,863
LONG TERM DEBT (Note 10)	-	-	2,088,141	2,088,141	40,000
INTERFUND LOAN (Note 6)	-	-	893,822	893,822	-
BONDS PAYABLE (Note 5)	-	-	1,003,000	1,003,000	896,000
	306,774	896,065	4,194,000	5,396,839	1,934,863
NET ASSETS	190,163	-	-	190,163	73,103
	\$ 496,937	\$ 896,065	\$ 4,194,000	\$ 5,587,002	\$ 2,007,966

prepared without audit - see accompanying notes

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Statement of Changes in Net Assets

For the Year Ended June 30, 2023

	Current Fund 2023	Capital Campaign Fund 2023	New School Fund 2023	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 73,103	\$ -	\$ -	\$ 73,103	\$ 102,287
Excess of revenue over expenses	264,972	-	(147,912)	117,060	(29,184)
Transfers to fund <i>(Note 11)</i>	-	-	147,912	147,912	50,453
Transfers from fund <i>(Note 11)</i>	(147,912)	-	-	(147,912)	(50,453)
NET ASSETS - END OF YEAR	\$ 190,163	\$ -	\$ -	\$ 190,163	\$ 73,103

prepared without audit - see accompanying notes

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Statement of Operations

For the Year Ended June 30, 2023

	Current Fund 2023	Capital Campaign Fund 2023	New School Fund 2023	2023	2022
REVENUE	\$ 1,698,386	\$ -	\$ 24,538	\$ 1,722,924	\$ 1,475,532
EXPENSES					
Salaries and wages	1,052,339	-	-	1,052,339	1,008,473
Supplies	108,908	-	-	108,908	112,818
Interest on long term debt	403	-	84,719	85,122	-
Repairs and maintenance	56,491	-	-	56,491	46,372
Amortization	13,329	-	39,684	53,013	13,537
Professional fees	29,934	-	10,265	40,199	81,926
Interest and bank charges	3,932	-	36,220	40,152	11,635
Office	32,378	-	-	32,378	31,961
Utilities	28,853	-	-	28,853	24,287
Property taxes	22,053	-	-	22,053	24,362
Bad debts	19,684	-	-	19,684	15,941
Insurance	16,975	-	-	16,975	10,908
Fundraising	14,695	-	1,562	16,257	70,026
Rental	13,640	-	-	13,640	45,040
Memberships	11,177	-	-	11,177	7,798
Telephone	6,208	-	-	6,208	8,949
Advertising and promotion	2,415	-	-	2,415	19,209
	1,433,414	-	172,450	1,605,864	1,533,242
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	264,972	-	(147,912)	117,060	(57,710)
COVID GOVERNMENT ASSISTANCE	-	-	-	-	28,526
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 264,972	\$ -	\$ (147,912)	\$ 117,060	\$ (29,184)

prepared without audit - see accompanying notes

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Statement of Cash Flows

Year Ended June 30, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 117,060	\$ (29,184)
Items not affecting cash:		
Amortization of capital assets	53,014	13,537
Loss on disposal of capital assets	557	-
In-kind donations	(5,366)	-
	<u>165,265</u>	<u>(15,647)</u>
Changes in non-cash working capital:		
Accounts receivable	(153,367)	76,958
HST receivable	9,773	1,028
Inventory	(7,403)	-
Accounts payable and accrued liabilities	32,117	8,005
Prepaid expenses	(18,167)	(791)
Interest payable	22,114	8,558
Employee deductions payable	(436)	(4,405)
Deferred revenue	(4,351)	(51,233)
Deferred contributions	145,167	699,513
	<u>25,447</u>	<u>737,633</u>
Cash flow from operating activities	<u>190,712</u>	<u>721,986</u>
INVESTING ACTIVITY		
Purchase of capital assets	<u>(4,240,550)</u>	<u>(20,303)</u>
FINANCING ACTIVITIES		
Short term bonds payable	-	(5,000)
Long term bonds payable	107,000	896,000
Proceeds from long term financing	2,786,000	-
Repayment of long term debt	<u>(519,474)</u>	<u>-</u>
Cash flow from financing activities	<u>2,373,526</u>	<u>891,000</u>
INCREASE (DECREASE) IN CASH FLOW	(1,676,312)	1,592,683
Cash - beginning of year	<u>1,884,080</u>	<u>291,397</u>
CASH - END OF YEAR	<u>\$ 207,768</u>	<u>\$ 1,884,080</u>
CASH CONSISTS OF:		
Restricted cash - new school	\$ 691	\$ 909,927
Restricted cash - capital campaign	56,901	742,862
Unrestricted cash - current fund	<u>150,176</u>	<u>231,291</u>
	<u>\$ 207,768</u>	<u>\$ 1,884,080</u>

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Notes to Financial Statements

Year Ended June 30, 2023

1. DESCRIPTION OF BUSINESS

The Organization was incorporated without share capital and received its registered charitable status on July 1, 1999. Its primary activity of the organization is providing education in Guelph, Ontario. The Organization is exempt from income taxes.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

The Current Fund records the ongoing operations of the Organization.

The Capital Campaign Fund reports the activity related to Trillium Educational Initiative Charitable Corporation's capital fundraising campaign.

The New School Fund reports the activity related to Trillium Educational Initiative Charitable Corporation's externally restricted accounts which are to be used for the purposes of purchasing real estate for the school's future operations.

Revenue recognition

Trillium Educational Initiative Charitable Corporation follows the deferral method of accounting for contributions.

Restricted contributions for purposes other than acquisition of capital assets are deferred and recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions for purposes of acquisition of capital assets are initially recorded as deferred contributions in the period in which they are received and are amortized to revenue over the useful life of the related assets.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

The operations of the Organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Cash equivalents

Cash equivalents consist principally of cash in a Canadian bank account.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

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TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Notes to Financial Statements

Year Ended June 30, 2023

2. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Leases

Leases are classified as either capital or operating leases. At the time the Organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is depreciated on the same basis as described below. Rental payments under operating leases are expensed as incurred.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates: except in the year of acquisition for office and classroom equipment, when one-half of the annual rate is used.

Buildings	40 years
Office equipment	3 years
Leasehold improvements	5 years
Classroom equipment	3 years

Government assistance

Government assistance for acquiring fixed assets is recorded as deferred contributions and is amortized on the same basis and according to the same rates as the related fixed assets. Government assistance for current expenses is recorded as income in the year the expense is incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment when there are indicators of impairment.

The amount of the write-down is recognized in net income. The 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 net income.

Financial assets measured at amortized cost include cash, accounts receivable and HST receivable. Financial liabilities measured at amortized cost include bonds payable, accounts payable and accrued liabilities and government remittances payable.

Related party transactions that are considered financial instruments are reported at cost with cost being the exchange amount of the consideration transferred or received.

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TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION*(Operating as Trillium Waldorf School)***Notes to Financial Statements****Year Ended June 30, 2023****2. SUMMARY OF ACCOUNTING POLICIES (continued)**

For financial instruments subsequently measured at fair value, the Organization recognizes transaction costs directly attributable to their origination, issuance or assumption in net income in the period incurred. When a financial instrument is measured at amortized cost, transaction costs are included in the initial measurement of the instrument.

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 is net of an allowance of impairment in the amount of \$23,257 (2022-\$3,499)

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 1,058,248	\$ -	\$ 1,058,248	\$ -
Buildings	3,174,745	39,684	3,135,061	-
Office equipment	61,618	53,230	8,388	10,851
Leasehold improvements	-	-	-	674
Classroom equipment	110,887	101,663	9,224	12,400
	<u>\$ 4,405,498</u>	<u>\$ 194,577</u>	<u>\$ 4,210,921</u>	<u>\$ 23,925</u>

5. BONDS PAYABLE

Bonds payable represent short-term and long-term, unsecured notes received by the Organization. There are no specific terms of repayment on short-term bonds. Short-term bonds are due on demand and presented as a current liability. Long-term bonds are issued with terms of five, six or seven years. Interest on bonds are paid at a rate between 3%-4% per annum and interest is paid once per year.

Long-term bond principal repayment terms are approximately:

2027	\$ 248,500
2028	247,000
Thereafter	<u>507,500</u>
	<u>\$ 1,003,000</u>

6. INTERFUND LOAN

This amount bears no interest and there are no specific repayment terms.

7. DEFERRED REVENUE

Deferred revenue represents amounts received for the subsequent school year.

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION*(Operating as Trillium Waldorf School)***Notes to Financial Statements****Year Ended June 30, 2023****8. DEFERRED CONTRIBUTIONS**

Deferred contributions as at June 30, 2023 consists of the following:

	<u>2023</u>	<u>2022</u>
Funds received for the Mullock Grant Fund for capital acquisitions:		
Opening balance	\$ 28,668	\$ 42,210
Amount recognized as income	<u>(7,524)</u>	<u>(13,542)</u>
	<u>21,144</u>	<u>28,668</u>
Funds received for the New School Fund, the net amount recognized as revenue:		
Opening balance	-	28,319
Contributions received	-	53,790
Interest received	24,538	-
Internal transfer from Current Fund	-	32,420
Amount recognized as income	<u>(24,538)</u>	<u>(114,529)</u>
	<u>-</u>	<u>-</u>
Funds received for the Capital Campaign net of amounts recognized as income are as follows:		
Opening balance	743,375	2,000
Contributions received	152,690	741,505
Amount recognized as income	<u>-</u>	<u>(130)</u>
	<u>896,065</u>	<u>743,375</u>
Grand total	<u>\$ 917,209</u>	<u>\$ 772,043</u>

9. TUITION

	<u>2023</u>	<u>2022</u>
Tuition revenue as at June 30, 2023 consists of the following:		
Tuition Revenue	\$ 2,121,634	\$ 1,810,993
Tuition discounts and assistance	<u>(777,754)</u>	<u>(662,566)</u>
	<u>\$ 1,343,880</u>	<u>\$ 1,148,427</u>

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION*(Operating as Trillium Waldorf School)***Notes to Financial Statements****Year Ended June 30, 2023****10. LONG TERM DEBT**

	<u>2023</u>	<u>2022</u>
CEBA Loan is a \$60,000 interest-free loan. Repaying the balance of the loan on or before January 18, 2024 resulted in a loan forgiveness of the amount repaid of \$20,000. The loan was repaid subsequent to year end and before the due date.	\$ 40,000	\$ 40,000
1st Absolute Indigo Mortgage loan bearing interest at 4.5% compounded monthly, repayable in monthly blended payments of \$8,968. The loan matures on October 21, 2024 and is secured by the land and building which has a carrying value of \$4,193,309.	1,751,107	-
VIDAR long-term loan bearing interest at 4.5% compounded monthly, repayable in monthly blended payments of \$2,872. The loan matures on October 28, 2027 and is secured by the land and building which has a carrying value of \$4,193,309.	135,419	-
2nd Absolute Indigo Mortgage loan bearing interest at 4% compounded monthly, repayable in annual principal only payments of \$120,000. The loan matures on October 21, 2024 and is secured by the land and building which has a carrying value of \$4,193,309.	380,000	-
	2,306,526	40,000
Amounts payable within one year	(218,385)	-
	\$ 2,088,141	\$ 40,000

During the year, \$15,000 of interest was forgiven on a loan that was repaid during the year. This was recognized as revenue within the New School Fund.

Principal repayment terms are approximately:

2024	\$ 218,385
2025	321,067
2026	63,872
2027	66,807
2028	46,533
Thereafter	1,589,862
	\$ 2,306,526

11. INTERFUND TRANSFERS

During the year, funds were transferred from the Current Fund to the New School Fund as a contribution from the Current Fund to the New School Fund.

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

TRILLIUM EDUCATIONAL INITIATIVE CHARITABLE CORPORATION

(Operating as Trillium Waldorf School)

Notes to Financial Statements

Year Ended June 30, 2023

13. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of June 30, 2023. It is management's opinion that there has not been a significant change in risk exposures from the prior year.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization is exposed to credit risk as credit terms are extended to families.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable, long-term debt and bonds payable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization does not transact in foreign currency, therefore, is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate financial instruments.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.
