

Financial Statements of

**COLLINGWOOD SCHOOL SOCIETY**

And Independent Auditor's Report thereon

Year ended June 30, 2024



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Governors of Collingwood School Society:

### **Report on the Audit of Financial Statements**

#### ***Opinion***

We have audited the financial statements of Collingwood School Society (the "Entity"), which comprise:

- the statement of financial position as at June 30, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at June 30, 2024, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditor's 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 auditor's 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 Entity's internal control.



- 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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity 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.
- 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada  
September 26, 2024

# COLLINGWOOD SCHOOL SOCIETY


## Statement of Financial Position

June 30, 2024, with comparative information for 2023

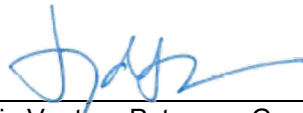
	2024	2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 22,242,951	\$ 22,296,332
Short term investments (note 3)	9,617,443	5,206,168
Accounts receivable (notes 4 and 10)	628,358	444,243
Prepaid expenses	438,622	405,693
	<u>32,927,374</u>	<u>28,352,436</u>
Long-term investments (note 3)	18,678,929	17,119,889
Capital assets (note 5)	64,741,783	65,624,403
Long-term prepaid lease (note 6)	46,316	55,579
	<u>\$ 116,394,402</u>	<u>\$ 111,152,307</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,316,641	\$ 1,097,488
Accrued salaries and benefits (notes 7 and 8)	4,690,469	5,021,588
Tuition and other fees received in advance	32,655,964	30,127,608
Current portion of long-term debt (note 9)	3,299,216	1,941,116
	<u>41,962,290</u>	<u>38,187,800</u>
Long-term debt (note 9)	841,800	4,742,612
	<u>42,804,090</u>	<u>42,930,412</u>
Net assets:		
Unrestricted:		
Operating reserve	9,549,262	7,951,867
Internally restricted:		
Capital reserve	1,626,647	722,592
Parents' council	157,668	180,236
Externally restricted	1,655,968	426,525
Invested in capital assets (note 12)	60,600,767	58,940,675
	<u>73,590,312</u>	<u>68,221,895</u>
Commitments (note 14)		
	<u>\$ 116,394,402</u>	<u>\$ 111,152,307</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Debby Carreau, Governor



Lydia Ventura-Paterson, Governor

# COLLINGWOOD SCHOOL SOCIETY

## Statement of Operations

Year ended June 30, 2024, with comparative information for 2023

	Unrestricted operating reserve	Internally restricted	Externally restricted	Invested in capital assets	2024 Total	2023 Total
<b>Revenue:</b>						
Tuition fees	\$ 34,972,970	\$ -	\$ -	\$ -	\$ 34,972,970	\$ 33,407,236
Less: Financial assistance	(872,122)	-	(482,340)	-	(1,354,462)	(1,159,990)
	34,100,848	-	(482,340)	-	33,618,508	32,247,246
Government grants (note 11)	4,622,820	-	-	-	4,622,820	4,240,965
New student admission fees	741,400	-	-	-	741,400	721,850
Transportation revenue	196,132	-	-	-	196,132	179,183
Investment income	1,385,869	-	-	-	1,385,869	1,005,953
Other (notes 13 and 17)	2,983,463	-	-	-	2,983,463	2,896,987
	44,030,532	-	(482,340)	-	43,548,192	41,292,184
<b>Expenses:</b>						
Salaries and benefits	30,031,925	-	-	-	30,031,925	28,868,676
Professional development	413,471	-	11,000	-	424,471	484,109
Curricular expense	3,460,701	-	132,776	-	3,593,477	3,642,058
Facilities	1,839,537	-	-	-	1,839,537	1,937,492
Transportation expense	454,841	-	-	-	454,841	403,001
Information technology	892,922	-	-	-	892,922	863,615
Parent, alumni and community relations	1,556,973	-	-	-	1,556,973	1,506,342
General and administrative	1,301,605	22,568	-	-	1,324,173	965,275
Amortization	-	-	-	2,571,695	2,571,695	2,451,170
Interest	85,594	-	-	-	85,594	109,859
	40,037,569	22,568	143,776	2,571,695	42,775,608	41,231,597
Excess (deficiency) of revenue over expenses before other items	3,992,963	(22,568)	(626,116)	(2,571,695)	772,584	60,587
<b>Other:</b>						
Fundraising (note 17)	1,055,590	-	2,355,343	-	3,410,933	1,602,943
Gift to Collingwood School Foundation (note 17)	(54,684)	-	-	-	(54,684)	(19,519)
Gain on sale of investments	138,926	-	-	-	138,926	146,291
Fair value adjustment of investments (note 3)	1,136,850	-	-	-	1,136,850	599,218
Fair value adjustment of interest rate swap (note 10)	(36,192)	-	-	-	(36,192)	105,693
	2,240,490	-	2,355,343	-	4,595,833	2,434,626
Excess (deficiency) of revenue over expenses	\$ 6,233,453	\$ (22,568)	\$ 1,729,227	\$ (2,571,695)	\$ 5,368,417	\$ 2,495,213

See accompanying notes to financial statements.

# COLLINGWOOD SCHOOL SOCIETY

## Statement of Changes in Net Assets

Year ended June 30, 2024, with comparative information for 2023

	Unrestricted operating reserve	Internally restricted		Externally restricted	Invested in capital assets	2024 Total	2023 Total
		Capital reserve	Parents' council				
Net assets, beginning of year	\$ 7,951,867	\$ 722,592	\$ 180,236	\$ 426,525	\$ 58,940,675	\$ 68,221,895	\$ 65,726,682
Excess (deficiency) of revenue over expenses	6,233,453	-	(22,568)	1,729,227	(2,571,695)	5,368,417	2,495,213
Net change in invested in capital assets (note 12(b))	(3,732,003)	-	-	(499,784)	4,231,787	-	-
Interfund transfer	(904,055)	904,055	-	-	-	-	-
<b>Net assets, end of year</b>	<b>\$ 9,549,262</b>	<b>\$ 1,626,647</b>	<b>\$ 157,668</b>	<b>\$ 1,655,968</b>	<b>\$ 60,600,767</b>	<b>\$ 73,590,312</b>	<b>\$ 68,221,895</b>

See accompanying notes to financial statements.

# COLLINGWOOD SCHOOL SOCIETY

## Statement of Cash Flows

Year ended June 30, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses	\$ 5,368,417	\$ 2,495,213
Items not involving cash:		
Amortization	2,571,695	2,451,170
Amortization of prepaid lease	9,263	9,262
Loss (gain) on disposal of capital assets	(15,558)	1,184
Gain on sale of investments	(138,926)	(146,291)
Fair value adjustment on investments	(1,136,850)	(599,218)
Changes in non-cash operating working capital:		
Accounts receivable	(184,115)	(194,546)
Accrued interest on investments	(454,254)	(580,548)
Prepaid expenses	(32,929)	(106,409)
Accounts payable and accrued liabilities	219,153	343,387
Accrued salaries and benefits	(331,119)	431,955
Tuition and other fees received in advance	2,528,356	806,658
	8,403,133	4,911,817
Investments:		
Purchase of investments	(14,200,000)	(21,000,000)
Proceeds from sale of investments	9,959,715	12,240,806
Additions to capital assets	(1,701,104)	(1,529,698)
Proceeds from disposal of capital assets	27,587	21,321
	(5,913,802)	(10,267,571)
Financing:		
Repayment of long-term debt	(2,542,712)	(1,837,537)
Increase (decrease) in cash and cash equivalents	(53,381)	(7,193,291)
Cash and cash equivalents, beginning of year	22,296,332	29,489,623
Cash and cash equivalents, end of year	\$ 22,242,951	\$ 22,296,332

See accompanying notes to financial statements.



# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements

Year ended June 30, 2024

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## 1. Operations:

Collingwood School Society (the "Society") was incorporated on December 8, 1983 and is registered under the *Societies Act* (British Columbia). The Society is a registered charity under the *Income Tax Act* and is therefore exempt from the payment of income tax.

The Society operates Collingwood School (the "School") at the Morven Campus (600 students in grades 8 - 12) and the Wentworth Campus (650 students in junior kindergarten - grade 7), both in West Vancouver. The School is classified as a Group 2 independent school under the *Independent School Act*.

The School is non-denominational and co-educational. The School's personalized and inclusive approach fosters academic excellence and wellbeing as the students explore opportunities across academics, arts, athletics and service learning. With an emphasis on experiential learning, collaboration, character development, and problem solving across disciplines, the School aims to prepare graduates to join the global community as critical thinkers who are resilient, socially conscious and prepared to make the most of their opportunities.

## 2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and include the following significant accounting policies:

### (a) Fund accounting:

The resources and operations of the Society have been segregated for accounting purposes into the following funds:

#### (i) Unrestricted:

The Operating Reserve fund accounts for the Society's program delivery, support and administrative activities. Amortization charges relating to these activities are accounted for in the invested in capital assets fund other than the amortization of the prepaid lease which is recorded as an expense of the operating reserve fund as incurred (notes 2(g) and 6).

#### (ii) Restricted funds:

##### Internally restricted:

The Capital Reserve fund represents amounts earmarked for capital projects as approved by the Board of Directors (the "Board") on an annual basis.

The Parents' Council fund represents contributions received from the Parents' Council fundraising to be used for the benefit of the School.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 2. Significant accounting policies (continued):

### (a) Fund accounting (continued):

#### (ii) Restricted funds (continued):

##### Externally restricted:

The externally restricted fund represents funds from donations where the purposes have been specifically designated by donors.

#### (iii) Invested in capital assets:

The amortization of capital assets used in operations of the Society, as well as, the Society's investment in capital assets and related long-term debt are accounted for as part of invested in capital assets.

Interfund transfers to fund capital projects and other transfers of funds as approved by the Board are presented in the Statement of Changes in Net Assets.

### (b) Revenue recognition:

The Society follows the restricted fund method of accounting for contributions.

#### (i) Unrestricted contributions:

Unrestricted contributions, including government grants, are recognized as revenue of the Operating Fund in the period in which the entitlement is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (ii) Restricted contributions:

Restricted contributions, including donations received for future capital projects are recorded in the restricted fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

#### (iii) Parents' Council contributions that are for specific purposes are recognized in the internally restricted fund when received.

#### (iv) In-kind and service contributions:

Donations and contributions in kind are recorded at fair value at the time of receipt when and if such a value can be reasonably determined.

Volunteers contribute a significant amount of time each year to assist the Society in fundraising and carrying out its programs and services. Because of the difficulty of determining their fair value, contributed services of volunteers are not recognized in these financial statements.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 2. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

(v) Tuition fees received prior to June 30 for the upcoming year are deferred as tuition fees received in advance and recognized as revenue in the period to which the fees relate. New student admission fees are recognized as fully earned when the applicant is accepted for admission to the school. The school grants financial assistance for students who apply for financial aid. The financial assistance is recorded as a reduction of revenues when granted.

(vi) Other fees are recorded as revenue when the related services are provided.

### (c) Cash and cash equivalents:

Cash and cash equivalents consist of cash and highly liquid investments with terms of maturity of three months or less at the date of acquisition.

### (d) Short-term investments:

Short-term investments consist of non-redeemable guaranteed investment certificates and mature within the next fiscal year.

### (e) Capital assets:

Capital assets are recorded at cost and are amortized over the estimated useful lives of the assets on a straight-line basis using the following annual rates:

Assets	Rates
Morven Campus:	
Buildings	20 - 50 years
Turf Field	15 years
Wentworth Campus:	
Buildings	20 - 50 years
Turf Field	15 years
Furniture, fixtures and other	4 - 10 years

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Capital project costs are capitalized once there is certainty as to the future benefit being realized on the project. Once projects are complete, they are transferred to the appropriate capital asset category and amortized when the assets are in put in to use.

### (f) Impairment of capital assets:

The Society reviews its capital assets for impairment whenever events or changes in circumstances indicate that the assets no longer contributes to the Society's ability to provide services, or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the Statement of Operations at the amount by which the carrying amount of the asset exceeds its fair value or replacement cost.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 2. Significant accounting policies (continued):

(g) Prepaid lease:

The components of the prepaid lease are amortized on a straight-line basis over the term of the arrangement.

(h) Employee future benefits:

The Society has historically provided extended health benefits to retired employees with a combination of 85-points based on age and service at the time of retirement. There are currently 30 (2023 - 31) retired employees receiving extended health benefits. These amounts are recorded as a liability on an unfunded basis based on the estimated present value of expected future payments to existing retired employees. During fiscal 2024, the School terminated this benefit program for future retirees.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Areas requiring management estimates include the useful lives of capital assets for amortization, and provisions for employee future benefits. Actual results could differ from these estimates.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. Management has elected to carry investments, other than guaranteed investment certificates, at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

## 2. Significant accounting policies (continued):

(k) Economic interest:

The Collingwood School Foundation (the "Foundation") was established to raise funds for the ultimate benefit of the Society. Endowment funds are maintained in perpetuity by the Foundation, with earnings from the funds being available for distribution to the Society to provide financial assistance, scholarships, and program funding to benefit the Society and its students. The Foundation was incorporated under the *Societies Act* of British Columbia. The Foundation is designated as a public foundation, a registered charity under the *Income Tax Act* and is therefore exempt from the payment of income tax. The Society and the Foundation are separate legal entities having separate boards of governors and directors and independently make all decisions affecting their funds. These financial statements do not reflect the accounts of the Foundation.

## 3. Investments:

Investments include guaranteed investment certificates earning interest ranging from 4.85% to 6.17% (2023 - 5.12% to 5.61%) with maturities ranging from August 2024 to November 2025 (2023 - June 2024 to November 2024). Any investments with maturities beyond the next fiscal year are classified as long-term.

Investments held at fair value consist of equity and fixed income pooled funds invested with Connor, Clark & Lunn.

	2024	2023
<b>Connor, Clark &amp; Lunn funds held at fair value:</b>		
Canadian Equity Fund	\$ 3,944,316	\$ 3,536,963
Global Equity Fund	4,159,954	3,396,521
Fixed Income Fund	4,061,127	3,939,644
Alternate Investments Fund	1,757,283	1,493,189
	<u>13,922,680</u>	<u>12,366,317</u>
<b>Bank of Montreal:</b>		
Guaranteed investment certificates ("GICs") at amortized cost	4,600,000	-
<b>Canaccord Genuity:</b>		
GICs at amortized cost	9,773,692	9,959,740
	<u>28,296,372</u>	<u>22,326,057</u>
Less current portion	(9,617,443)	(5,206,168)
<b>Long term investments</b>	<b>\$ 18,678,929</b>	<b>\$ 17,119,889</b>

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

### 3. Investments (continued):

The Canaccord Genuity GICs balance includes \$173,692 (2023 - \$159,740) of interest earned to date. Accrued interest totaling \$193,745 (2024 – nil) on the Bank of Montreal \$4,600,000 GICs and another \$5,000,000 GIC included as part of cash equivalent as at June 30, 2024 has been recorded as part of accounts receivable (note 4).

	2024	2023
Unrealized gains, beginning of year	\$ 599,218	\$ -
Change in unrealized gains	1,136,850	599,218
<b>Unrealized gains, end of year</b>	<b>\$ 1,736,068</b>	<b>\$ 599,218</b>

### 4. Accounts receivable:

	2024	2023
Tuition fees receivable	\$ 100,280	\$ 75,743
SWAP receivable (note 10)	43,076	95,532
Accrued interest receivable (note 3)	239,352	38,869
Commodity sales tax	165,461	145,315
Other receivables	80,189	88,784
	<b>\$ 628,358</b>	<b>\$ 444,243</b>

### 5. Capital assets:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
<b>Morven Campus:</b>				
Land	\$ 4,244,532	\$ -	\$ 4,244,532	\$ 4,244,532
Buildings	50,783,672	13,542,658	37,241,014	37,261,685
Turf Field	1,145,814	744,691	401,123	499,296
<b>Wentworth Campus:</b>				
Land	4,404,621	-	4,404,621	4,404,621
Buildings	24,078,015	8,996,377	15,081,638	15,500,411
Turf Field	544,453	471,860	72,593	108,890
Furniture, fixtures and other	13,368,416	10,072,154	3,296,262	3,604,968
	<b>\$ 98,569,523</b>	<b>\$ 33,827,740</b>	<b>\$ 64,741,783</b>	<b>\$ 65,624,403</b>

Included in Morven Campus land and buildings are four strata units rented to school faculty. The purchases are financed by a bank term loan (note 9).

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 6. Prepaid lease:

On December 18, 2008, the Society entered into an agreement with the Capilano Rugby Club (the "Club") for the use of the Club's field and facilities until December 31, 2031 for consideration of \$200,000. The lease is amortized on a straight-line basis over the usage term. Prepaid lease amortization included in curriculum expenses for the year ended June 30, 2024 is \$9,263 (2023 - \$9,262).

## 7. Accrued salaries and wages:

Included in accrued salaries and benefits liabilities are government remittances of \$301,724 (2023 - \$232,349) related to workers compensation and employer health tax remittances.

## 8. Post-retirement benefits:

Included in accrued salaries and benefits is the Society's post-retirement health benefit plan liability as follows:

	2024	2023
Retired employees	\$ 532,354	\$ 753,929
Eligible employees	-	406,301
	<u>\$ 532,354</u>	<u>\$ 1,160,230</u>

The significant assumptions adopted in measuring the post-retirement benefits include using a discount rate of 5.19% (2023 - 4.81%) and the estimated life expectancy from Statistics Canada for 65-year-olds in British Columbia. As a decision was made in fiscal 2024 to close the benefit program for future retirees, there is no longer a liability for eligible employees and hence the accrued amount has been written off.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

## 9. Long-term debt:

	2024	2023
Term loan:		
Royal Bank term loan bearing interest of prime plus 0.30% repayable quarterly in equal installments over 20-years	\$ 2,100,000	\$ 3,900,000
Royal Bank term loan bearing interest of 2.64% repayable monthly in equal installments of \$4,809, due July 3, 2024	714,316	752,620
Royal Bank term loan bearing interest of 2.64% repayable monthly in equal installments of \$4,723, due June 27, 2024.	701,686	739,137
Royal Bank term loan bearing interest of 2.42% repayable monthly in equal installments of \$3,998, due March 3, 2025	625,014	657,477
Royal Bank term loan bearing interest of 2.54% repayable monthly in equal installments of \$4,042, repaid on June 6, 2024	-	634,494
	4,141,016	6,683,728
Current portion of long-term debt	(3,299,216)	(1,941,116)
	\$ 841,800	\$ 4,742,612

Subsequent to year-end, the School fully repaid the loans with maturity dates of June 27, 2024 and July 3, 2024. As such, these balances have been classified as current portion of long-term debt.

The Society has entered into a Credit Agreement with the Royal Bank of Canada to finance the operations of the School. The facility permits total borrowing of \$14,250,000 (2023 -\$16,950,000). The facility includes a revolving loan of up to \$3,500,000; a revolving loan of up to \$5,000,000, a non-revolving 20-year term facility of \$5,300,000, and a Visa credit limit of \$400,000. This facility is secured by a general security agreement covering all property of the Society, a first charge of \$7,500,000 on the Morven Campus land and buildings, a first charge of \$15,000,000 on the Wentworth Campus land and buildings and a certificate of insurance over buildings and equipment with a loss payable to the Royal Bank.

The Society has financed construction of the Morven Campus under the non-revolving term facility consisting of Canadian Overnight Repo Rate Average bearing fees of 1.80% per annum. The non-revolving term facility is amortized over 20-years. As of June 30, 2024, \$2,100,000 (2023 - \$3,900,000) was remaining on this facility. The facility matures November 30, 2024 pursuant to an amended agreement entered into with Royal Bank of Canada.



# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 9. Long-term debt (continued):

The annual principal repayments on long-term debt required for the next 5-years and thereafter are as follows, assuming all loans are renewed on maturity at similar terms:

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2025	\$ 3,299,216
2026	284,027
2027	34,860
2028	35,713
2029	36,587
Thereafter	450,613
	<hr/>
	\$ 4,141,016

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## 10. Interest rate swap:

The Society has one outstanding interest rate swap contract currently totaling \$2,100,000. The balance of the swap amortizes in parallel with the expected debt amortization. The agreement swaps floating interest rates to a fixed rate of 2.86%, which includes Canadian Overnight Repo Rate Average fees of 1.80%, and expires on July 31, 2025. Quarterly, the Society uses excess cash to reduce the obligation and therefore the interest cost to the Society. The amount of excess cash available to apply varies from quarter to quarter.

The swap contract is recorded at fair value and included in accounts receivable of \$22,353 (2023 - \$58,546 in accounts receivable) at June 30, 2024 on the Statement of Financial Position. This fair value adjustment has been reflected in the Statement of Operations as a \$36,192 loss in the current year (2023 - \$105,693 gain). The quarterly payments under the agreement are recorded as interest expense.

## 11. Government grants:

The Society receives an *Independent School Act* grant from the British Columbia provincial government based on the number of eligible students. In order for students to be eligible, the following conditions must hold:

- (a) the student must be enrolled in an independent school for at least 600-hours between July 1 and May 15 in a school year;
- (b) the student must be 5-years or older; and
- (c) the student's parent or guardian must be a citizen of Canada or a landed immigrant and they must reside in British Columbia.

The School receives 35% of the amount the West Vancouver School Board receives for operating costs per eligible student. During 2024, there were 1,217 (2023 - 1,212) eligible students.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

## 12. Invested in capital assets:

(a) Invested in capital assets is comprised of the following:

	2024	2023
Capital assets	\$ 64,741,783	\$ 65,624,403
Amounts financed by long-term debt	(4,141,016)	(6,683,728)
	<u>\$ 60,600,767</u>	<u>\$ 58,940,675</u>

(b) Change in net assets invested in capital assets is comprised of the following:

	2024	2023
Excess of revenue over expenses:		
Amortization of capital assets	\$ (2,571,695)	\$ (2,451,170)
Net change in invested in capital assets:		
Additions to capital assets	1,701,104	1,529,698
Disposal of capital assets	(12,029)	(22,505)
Repayment of long-term debt	2,542,712	1,837,537
	<u>4,231,787</u>	<u>3,344,730</u>
	<u>\$ 1,660,092</u>	<u>\$ 893,560</u>

## 13. Other revenue:

Other revenue consists of the following:

	2024	2023
Food services	\$ 655,628	\$ 578,815
Registration fees and event ticket sales	1,440,912	1,790,696
Before and after school programs	137,845	65,404
Summer Institute	129,916	137,150
Camp programs	364,453	-
Equipment and gear	75,692	106,055
Facility rentals	118,670	129,060
Miscellaneous	60,347	89,807
	<u>\$ 2,983,463</u>	<u>\$ 2,896,987</u>

These revenues are recorded on a gross basis and have corresponding expenses presented separately on the statement of operations.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 14. Commitments:

The Society has commitments under various operating leases for equipment. Future payments under such lease obligations are due as follows:

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2025	\$	50,042
2026		50,042
2027		50,042
2028		37,531

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## 15. Financial risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements and obtaining appropriate financing as required. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The Society is not subject to any significant credit risks associated with its cash deposits and investments as they are placed with reputable financial institutions.

(c) Market price risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Society's income or the value of its holdings of financial instruments.

(i) Interest rate risk:

The Society is exposed to interest rate risk on its fixed rate and floating interest rate financial instruments. Fixed rate instruments subject the Society to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Society is exposed to this type of risk, as a result of fixed rate investments in guaranteed investment certificates and fixed income funds. The Society is also exposed to interest rate risks related to its long-term debt, which is subject to floating rates of interest, and has entered into an interest rate swap arrangement to manage the interest rate risk (notes 9 and 10).

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## 15. Financial risks:

(c) Market price risk (continued):

(ii) Currency risk:

The Society is exposed to currency risks as a result of investments in global equity funds.

(iii) Other price risks:

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. Equity price risk is the risk that the fair value of equity financial instruments will fluctuate due to changes in market prices. The Society is exposed to equity price risk on its investments in its equity fund holdings. The objective of the Society's investment policy is to manage equity price risk by maintaining a portfolio which is diversified across geographic and industry sectors. The performance of the Society's investments is monitored by measuring against a benchmark consisting of relative weightings of various stock indices.

The Society manages its investment portfolio to earn investment income and invests according to its Investment Policy as approved by the Board.

## 16. Collingwood School Scholarship Fund:

The Society has established the Collingwood School Scholarship Fund (the "Fund") with the Vancouver Foundation to provide scholarship awards and bursaries to students of Collingwood School. The assets in the fund of \$472,752 (2023 - \$448,750) are administered by and remain with the Vancouver Foundation in perpetuity. As such, the Scholarship Fund is not recorded in these financial statements. The interest and return of capital received on this Fund during the year of \$21,095 (2023 - \$19,819) has been included in fundraising revenue.

## 17. Collingwood School Foundation:

During the year, the Society received \$2,607,141 (2023 - \$1,391,743) from the general, restricted and endowment funds of the Foundation towards capital additions, educational programs, school awards, financial assistance, and scholarships which has been included in fundraising income.

The Society also received \$54,684 (2023 - \$19,519) in payment for services it provided for the Foundation. This amount has been included in other revenue. The Society in turn gifted the equivalent amount to the Foundation. The Society also donated \$28,642 (2023 - \$16,643) to the Foundation towards credit card processing fees associated with online fundraising activities.

The net assets of the Foundation consist of a restricted fund of \$249,399 (2023 - \$238,467), endowment fund - principal of \$11,525,222 (2023 - \$11,409,192) and endowment fund - distributable of \$3,393,936 (2023 - \$2,410,374) as at June 30, 2024.

# COLLINGWOOD SCHOOL SOCIETY

Notes to Financial Statements (continued)

Year ended June 30, 2024

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## **18. Remuneration disclosure under the *Societies Act* (British Columbia):**

For the year ended June 30, 2024, the Society paid total remuneration of \$24,752,150 (2023 - \$22,158,959) to 201 employees (2023 - 189) employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

No remuneration was paid to any member of Board of Directors.