

Financial Statements of

**THE CALGARY JEWISH ACADEMY**

And Independent Auditors' Report thereon

Year ended August 31, 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Calgary Jewish Academy

### ***Opinion***

We have audited the accompanying financial statements of Calgary Jewish Academy, (the "Entity") which comprise:

- the statement of financial position as at August 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets (deficit) 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 August 31, 2021, 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 auditors' 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 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 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.

***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 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 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 Entity's 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

November 30, 2021

# THE CALGARY JEWISH ACADEMY

## Statement of Financial Position

August 31, 2021, with comparative figures for 2020

	2021	2020
<b>Assets</b>		
Current assets:		
Cash (note 3)	\$ 707,980	\$ 533,352
Investments (note 5)	–	577,676
Due from the Friends of The Calgary Jewish Academy Trust	82,902	12,463
Accounts receivable	–	13,872
Government remittances recoverable	9,845	7,666
Prepaid expenses and supplies	63,911	31,745
	<u>864,638</u>	<u>1,176,774</u>
Cash reserve (note 3)	215,690	205,690
Capital assets (note 7)	1,515,288	1,638,716
Long-term investments (note 6)	1,416,571	15,829
	<u>\$ 4,012,187</u>	<u>\$ 3,037,009</u>
<b>Liabilities and Net Assets (Deficit)</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 64,308	\$ 131,571
Deferred revenue (notes 8 and 12)	689,572	632,481
Current portion of credit facilities (note 4)	48,073	772,357
	<u>801,953</u>	<u>1,536,409</u>
Unamortized capital contributions (note 9)	440,865	437,911
Credit facilities (note 4)	444,059	–
	<u>1,686,877</u>	<u>1,974,320</u>
Net assets (deficit):		
Invested in capital assets	1,074,423	1,200,805
Unrestricted	1,033,857	(345,146)
Internally restricted	217,030	207,030
	<u>2,325,310</u>	<u>1,062,689</u>
Commitments (note 10)		
Economic dependence (note 13)		
	<u>\$ 4,012,187</u>	<u>\$ 3,037,009</u>

See accompanying notes to financial statements.

# THE CALGARY JEWISH ACADEMY

## Statement of Operations

Year ended August 31, 2021, with comparative figures for 2020

	2021	2020
<b>Revenue:</b>		
Parent contributions	\$ 2,843,628	\$ 3,150,329
Subsidies	(597,617)	(603,360)
Parent contributions, net	2,246,011	2,546,969
Alberta Education grants (note 13)	2,044,667	1,937,104
Calgary United Jewish Appeal allocation	389,208	380,700
Fundraising (note 12)	180,636	34,499
Donations	149,762	61,966
The Friends of The Calgary Jewish Academy Trust (note 12)	67,000	36,750
Amortization of capital contribution (note 9)	26,445	25,720
Sundry income (note 12)	24,617	26,145
Out of School program fees (note 13)	16,200	65,400
Interest	12,228	34,380
Other revenue	5,781	–
	5,162,555	5,149,633
<b>Expenses:</b>		
Salaries, wages and benefits	4,250,095	4,041,867
Supplies and books	177,938	154,739
Maintenance and security	172,326	127,891
Professional fees	80,780	51,789
Light, heat, water	69,976	67,003
COVID-19 expenses	55,242	44,715
Office, postage and stationery	54,572	53,789
Insurance	45,743	42,839
Interest and bank charges	44,066	35,891
Telephone	23,393	17,097
Recruitment, advertising	18,566	32,257
Student activities	16,591	15,264
Fundraising expenses	11,806	5,739
Goods and services tax	9,753	8,182
Graduation	8,093	4,169
Professional development	6,727	22,689
Licenses and taxes	1,532	2,460
Library	632	698
Out of School program	270	38,094
	5,048,101	4,767,172
Amortization of capital assets	147,238	142,476
(Deficiency) excess of revenues over expenses before other items	(32,784)	239,985
Government assistance relating to COVID-19 (note 14)	1,138,701	–
Change in unrealized gain on investments (note 6)	156,704	–
<b>Excess of revenues over expenses</b>	<b>\$ 1,262,621</b>	<b>\$ 239,985</b>

See accompanying notes to financial statements.

# THE CALGARY JEWISH ACADEMY

## Statement of Changes in Net Assets (Deficit)

Year ended August 31, 2021, with comparative figures for 2020

2021	Unrestricted fund	Internally restricted fund	Invested in capital assets	Total
Balance, beginning of year	\$ (345,146)	\$ 207,030	\$ 1,200,805	\$ 1,062,689
Excess (deficiency) of revenues over expenses	1,383,414	–	(120,793)	1,262,621
Transfer to internally restricted fund	(10,000)	10,000	–	–
Receipt of capital contributions	29,399	–	(29,399)	–
Purchase of capital assets	(23,810)	–	23,810	–
	<u>\$ 1,033,857</u>	<u>\$ 217,030</u>	<u>\$ 1,074,423</u>	<u>\$ 2,325,310</u>

2020	Unrestricted fund	Internally restricted fund	Invested in capital assets	Total
Balance, beginning of year	\$ (679,267)	\$ 196,180	\$ 1,305,791	\$ 822,704
Excess (deficiency) of revenues over expenses	356,741	–	(116,756)	239,985
Transfer to internally restricted fund	(10,850)	10,850	–	–
Receipt of capital contributions	34,201	–	(34,201)	–
Purchase of capital assets	(45,971)	–	45,971	–
	<u>\$ (345,146)</u>	<u>\$ 207,030</u>	<u>\$ 1,200,805</u>	<u>\$ 1,062,689</u>

See accompanying notes to financial statements.

# THE CALGARY JEWISH ACADEMY

## Statement of Cash Flows

Year ended August 31, 2021, with comparative figures for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess of revenues over expense	\$ 1,262,621	\$ 239,985
Items not affecting cash:		
Unrealized gain on investment	(156,704)	–
Amortization of capital assets	147,238	142,476
Amortization of capital contributions (note 9)	(26,445)	(25,720)
	<u>1,226,710</u>	<u>356,741</u>
Change in non-cash working capital:		
Accounts receivable	13,872	(9,255)
Government remittance recoverable	(2,179)	3,475
Prepaid expenses and supplies	(32,166)	(117)
Accounts payable and accrued liabilities	(67,263)	74,333
Deferred revenue	57,091	(89,901)
	<u>1,196,065</u>	<u>335,276</u>
Investing:		
Increase in cash reserve	(10,000)	(10,850)
Redemption (purchase) of investments	577,676	(18,631)
Purchase of capital assets	(23,810)	(45,971)
Purchase of long-term investments	(1,244,038)	(607)
Receipt of capital contributions (note 9)	29,399	34,201
	<u>(670,773)</u>	<u>(41,840)</u>
Financing:		
(Increase) decrease in due from The Friends of The CJA Trust	(70,439)	18,854
Repayments on credit facilities	(280,225)	(52,090)
	<u>(350,664)</u>	<u>(33,236)</u>
Increase in cash	174,628	260,200
Cash, beginning of year	533,352	273,152
Cash, end of year	<u>\$ 707,980</u>	<u>\$ 533,352</u>

See accompanying notes to financial statements.



# THE CALGARY JEWISH ACADEMY

## Notes to Financial Statements

Year ended August 31, 2021, with comparative information for 2020

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### 1. Purpose:

The Calgary Jewish Academy (the "Academy") is an accredited private school that offers programs from Nursery to Grade 9. The Academy is incorporated by a Special Act of the Legislature of Alberta and is also a registered charity under the Income Tax Act. Accordingly, the Academy is exempt from income taxes (provided certain requirements of the Income Tax Act are met) and is able to issue donation receipts for income taxes purposes.

The Friends of The Calgary Jewish Academy Trust (the "Trust"), with the assistance of volunteers and employees of the Academy, earns income through various fundraising activities including casinos, bingos and raffle ticket sales (Note 12). Income earned by the Trust is distributed to the Academy and is included in fundraising income.

### 2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNFP"). The significant accounting policies of the Academy are as follows:

(a) Basis of presentation:

(i) Invested in capital asset fund:

The purpose of capital asset fund is to record capital assets and the net investment of the Academy in such assets.

(ii) Unrestricted fund:

The purpose of the unrestricted fund is to record the revenue and expenses of the Academy, with no internal or external restrictions.

(iii) Internally restricted fund:

The purpose of internally restricted fund is to record funds set aside through internal restrictions for future operations or capital acquisitions.

(b) Cash:

Cash is cash on hand, held at reputable financial institutions. The Academy does not hold any cash equivalents.

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 2

Year ended August 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (c) Revenue recognition:

The Academy follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Grant, donation and fundraising revenue is recorded as revenue when received unless it is restricted for a specified purpose. Grant, donation and fundraising revenue restricted for a specified purpose is recorded as deferred revenue until it can be matched to the related expenses.

Restricted capital contributions related to capital assets are deferred and amortized on a straight-line basis over the estimated useful life of the corresponding asset.

Parent contributions net of subsidies, which are discounts issued to parent contribution, are recorded as revenue in the year to which they apply.

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

Interest income is recorded using the accrual method and is therefore recognized when earned.

All other revenue is recognized as revenue in the year to which it applies.

### (d) Donated materials:

Donated materials are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and when the Academy would otherwise have purchased these items.

### (e) Capital assets:

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

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Land	Unamortized
Buildings and building improvements	2.5%
Furniture and equipment	20%
Site improvements	5%

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# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 3

Year ended August 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (e) Capital assets (continued):

The Academy recognizes collections of artwork in the statement of financial position at cost, which is deemed to be fair value at the date of contribution plus all costs directly attributable to acquisition of the collection items. If cost cannot be reasonably determined for contributed items or collections, the items are recorded at nominal value. As it is the nature of these items to be preserved in perpetuity, the Academy does not amortize its collections.

Capital assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be fully recoverable. An impairment loss is recognized in the period it is determined and calculated as the excess of the carrying value of the asset over its fair value. Management has not made such an election.

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments and bonds that are quoted in an active market are subsequently recorded at fair value. All other financial instruments are recorded at cost or amortized cost, unless management has elected to record at fair value.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. For all other financial instruments, the transaction costs are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the excess of revenue over expenses as dividends and other distributions.

With respect to financial assets measured at cost or amortized cost, the Academy recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of revenue and expenses in the period in which the reversal occurs.

The Academy does not enter into any derivative financial instrument arrangements.

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 4

Year ended August 31, 2021, with comparative information for 2020

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## 2. Significant accounting policies (continued):

### (g) Use of estimates:

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant of these estimates are related to the allowance for doubtful accounts, the amortization period for and potential impairment of capital assets and the accrual of liabilities. Actual results could differ significantly from the estimates.

### (h) Measurement uncertainty:

In January 2020, the World Health Organization declared the Novel Coronavirus (“COVID-19”) outbreak a global health emergency and on March 11, 2020, it was declared a global pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measure to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of nonessential businesses, and physical distancing, have caused material disruption to businesses worldwide, resulting in an economic slowdown.

At the time of approval of these financial statements, The Calgary Jewish Academy has reviewed its financial activities in response to the COVID-19 pandemic. These factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect to the Calgary Jewish Academy is not known at this time.

There have been no impacts to contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. The Academy continues to use its capital assets and management has not assessed any impairment that needs to be recognized on these assets at August 31, 2021. The Academy continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at August 31, 2021, the Academy continues to meet its contractual obligations within normal payment terms and the Academy’s exposure to credit risk remains largely unchanged. In March 2020, the Academy moved to a virtual learning environment due to the pandemic. As of September 2020, the Academy has resumed in-person learning.

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 5

Year ended August 31, 2021, with comparative information for 2020

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### 3. Cash and cash reserve:

Cash includes a restricted amount of \$nil (2020 – \$73,817), which can only be used for specific current purposes under externally imposed restrictions.

The cash reserve of \$215,690 (2020 – \$205,690) includes cash held to be used at the discretion of the Board of Directors for the non-current purposes of the Academy.

### 4. Credit facilities:

During the year ended August 31, 2021, the Academy repaid its previous lending facilities and entered into a credit agreement with a new financial institution for which the facilities and corresponding terms are outlined below.

The Academy has available a \$750,000 non-revolving term loan, bearing interest at 2.95% per annum, repayable in monthly blended interest and principal payments of \$5,162. The balance outstanding on this facility at August 31, 2021 was \$492,132 and matures on May 25, 2026.

The Academy has available an overdraft facility with a limit of \$600,000, bearing interest at the bank's prime rate plus 0.5% per annum. The balance outstanding on this facility at August 31, 2021 was \$nil. The facility is payable on demand, but until demanded, interest is payable monthly in arrears.

The Academy has available Visa credit cards with a borrowing limit of \$40,000. As at August 31, 2021, \$9,503 is outstanding and included in accounts payable and accrued liabilities.

The facilities noted above are secured by a general security agreement and a first charge collateral mortgage in the amount of \$1,450,000 over the Academy's building, and an assignment of rents and insurance policies.

The financial covenants applicable under the credit agreement consist of a debt service coverage ratio and a total liabilities to tangible net worth ratio. The Academy is in compliance with both covenants as at August 31, 2021.

Principal payments required on the non-revolving term loan for the next five years are due as follows:

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2022	\$	48,073
2023		49,510
2024		50,991
2025		52,516
2026		291,042
	\$	492,132

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# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 6

Year ended August 31, 2021, with comparative information for 2020

## 4. Credit facilities (continued):

The Academy had available a commercial term loan in the amount of \$940,000 that bore interest at 3.7% per annum. This facility was payable on demand, but until the earlier of demand and the original maturity date of January 31, 2022, monthly blended payments of principal and interest of \$6,813 were due. This facility had a balance of \$772,357 at August 31, 2020 and was repaid during the year ended August 31, 2021.

The Academy had available a fluctuating overdraft facility with a limit of \$250,000 that bore interest at the previous bank's prime interest rate plus 0.5% per annum. The balance outstanding on this facility at August 31, 2020 was \$nil and due on demand, and it was cancelled during the year ended August 31, 2021.

The Academy had available a demand line of credit facility for maintenance and repairs as well as capital asset upgrades with a limit of \$260,000 that bore interest at the previous bank's prime interest rate plus 0.5% per annum. The balance outstanding on this facility at August 31, 2020 was \$nil and due on demand, and it was cancelled during the year ended August 31, 2021.

The Academy had available a letter of credit facility in reference to a business credit card up to a maximum of \$40,000 that bore interest at the previous bank's prime rate + 1.00% per annum. The balance issued on this letter of credit at August 31, 2020 was \$40,000 and was payable on demand, and it was cancelled during the year ended August 31, 2021.

## 5. Investments:

In the prior year, investments reflected as current assets were recorded at fair market value and were comprised of term deposits with maturity dates of one year or less. The effective rate of interest on these investments in the prior year was 1.75% per annum. The Academy did not hold any current investments as at August 31, 2021.

## 6. Long-term investments:

Long-term investments are stated at fair market value and include:

	2021	2020
First Calgary Financial common shares	\$ 16,176	\$ 15,829
Cash and short-term equivalents	112,894	—
Bonds and term deposits	446,654	—
Marketable equity securities	840,847	—
	<u>\$ 1,416,571</u>	<u>\$ 15,829</u>

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 7

Year ended August 31, 2021, with comparative information for 2020

## 6. Long-term investments (continued):

During the year, the Academy invested \$1,243,691 in a fund that is managed by a third-party investment manager. The invested capital of the fund is held with a separate custodian that is a Canadian financial institution. The fair value of the Academy's investment in the fund as at August 31, 2021 was \$1,400,395 (2020 – \$nil), resulting in a change in unrealized gain on investments during the year of \$156,704 (2020 – \$nil).

## 7. Capital assets:

2021	Cost	Accumulated depreciation	Net book value
Land	\$ 276,490	\$ –	\$ 276,590
Building and building improvements	2,377,261	1,405,899	971,362
Furniture and equipment	1,015,603	974,359	41,244
Site improvements	356,965	140,873	216,092
Artwork	10,100	–	10,100
	<u>\$ 4,036,419</u>	<u>\$ 2,521,131</u>	<u>\$ 1,515,288</u>

2020	Cost	Accumulated depreciation	Net book value
Land	\$ 276,490	\$ –	\$ 276,490
Building and building improvements	2,377,261	1,356,487	1,020,774
Furniture and equipment	991,793	894,381	97,412
Site improvements	356,965	123,025	233,940
Artwork	10,100	–	10,100
	<u>\$ 4,012,609</u>	<u>\$ 2,373,893</u>	<u>\$ 1,638,716</u>

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 8

Year ended August 31, 2021, with comparative information for 2020

## 8. Deferred revenue:

Deferred revenue consists of contributions that the Academy has received but not yet utilized for the purpose provided. It consists of the following:

	2021	2020
Prepaid tuition	\$ 402,350	\$ 372,304
Miscellaneous funds	190,532	238,487
Alberta Government funding	75,000	–
Israel trip fundraising	21,690	21,690
	<u>\$ 689,572</u>	<u>\$ 632,481</u>

## 9. Unamortized capital contributions:

	2021	2020
Balance, beginning of year	\$ 437,911	\$ 429,430
Contributions received	29,399	34,201
Amortization to revenue	(26,445)	(25,720)
Balance, end of year	<u>\$ 440,865</u>	<u>\$ 437,911</u>

## 10. Commitments:

The Academy has leased office equipment and is required to make quarterly payments of \$2,271 until May 2022. There is no further commitment signed under this contract.

## 11. Financial instruments:

### (a) Credit risk:

The Academy is exposed to credit risk relating to its receivables to the extent that its counterparties may experience financial difficulty and would be unable to meet their obligations. However, the Academy has a large number of diverse counterparties, which minimizes the concentration of credit risk. The Academy assesses, on a continuous basis, its receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts. Cash and investments are deposited with Canadian financial institutions.



# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 9

Year ended August 31, 2021, with comparative information for 2020

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## 11. Financial instruments (continued):

### (b) Liquidity risk:

Liquidity risk is the risk that the Academy encounters difficulty in meeting its obligations associated with its financial liabilities. Liquidity risk arises from accounts payable and accrued liabilities as well as amounts owing under credit facilities. The Academy maintains sufficient cash, investments, and sources of liquidity to discharge and manage its financial liabilities. This risk is unchanged from 2020.

### (c) Interest rate risk:

The Academy's interest rate risk is appropriately mitigated as a result of the outstanding credit facilities bearing a fixed interest rate (note 4).

## 12. Related party transactions:

The Academy uses the gambling license of the Trust in order to run events such as casinos, bingo, and raffles. The Trust provides annual donations in order to support the operations of the Academy. The Board of Directors of the Academy typically shares at least one Board member with that of the Trust, but does not control the Trust or vice versa.

The amounts due from the Trust are unsecured, non-interest bearing and have no fixed terms of repayment. The Academy has an economic interest in the Trust as the Trust holds resources for the benefit of the Academy. At August 31, 2021, the amounts due from The Friends of The Calgary Jewish Academy Trust consisted of revenues from casino and bingo events. These amounts do not bear interest.

During the year, \$67,000 (2020 - \$117,000) was recognized as revenue donated to the Academy from the Trust, of which \$67,000 (2020 - \$36,750) was used to support operations, and \$nil (2020 - \$80,250) was directed for a specific purpose. Of the directed amounts, \$nil (2020 - \$1,000) was recognized as sundry income in the Statement of Operations with \$nil (2020 - \$79,250) deferred until the related expenses are incurred. During the year, the Trust held the gambling license for bingo events that earned \$50,814 (2020 - \$17,828) and casino events that earned \$66,000 (2020 - \$nil) of which \$66,000 (2020 - \$nil) is included in Due from the Friends of the Calgary Jewish Academy Trust.

These transactions are in the normal course of operations and have been recorded at the exchange amount, which is the amount of consideration agreed to and established by the related parties.

# THE CALGARY JEWISH ACADEMY

Notes to Financial Statements, page 10

Year ended August 31, 2021, with comparative information for 2020

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## **13. Economic dependence:**

The Academy's primary source of grant revenue is from Alberta Education. During the year ended August 31, 2021, the Academy received funding of \$2,060,867 (2020 – \$2,002,504) from Alberta Education. The Academy's ability to continue viable operations is dependent on this funding.

## **14. Government assistance:**

During the year ended August 31, 2021, the Academy recognized Canada Emergency Wage Subsidy ("CEWS") in the amount of \$958,706 (2020 – \$nil). Such subsidy amounts have been presented as part of government assistance revenue on the statement of operations. While qualifications and subsidy amounts may be subject to audit by the CRA, the Academy is confident with respects to its entitlement to the subsidies received. The remaining COVID-19 government relief that the Academy recognized during the year ended August 31, 2021 includes the Safe Return to Class Funding of \$88,200 (2020 – \$nil) and Alberta Government funding related to employees for health and critical worker benefits of \$91,795 (2020 – \$nil).