

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019**
[Education Act (formerly School Act), Sections 139, 140, 244]

New Horizons Charter School Society

Legal Name of School Jurisdiction

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Mailing Address

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Contact Numbers and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of New Horizons Charter School Society presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Nicole Pasemko
Name


Signature

SUPERINTENDENT

Dean Lindquist
Name


Signature

SECRETARY-TREASURER OR TREASURER

Tracy Leigh
Name


Signature

November 20, 2019
Board-approved Release Date

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**Vleeming
Vleeming
O'Neill** LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Horizons Charter School Society

Opinion

We have audited the accompanying financial statements of New Horizons Charter School Society, which comprise the statement of financial position as at August 31, 2019, and the statements of operations, cash flows, changes in net debt, and remeasurement gains and losses, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of New Horizons Charter School Society as at August 31, 2019, and the results of its operations and its cash flows for the year ended August 31, 2019, in accordance with Canadian Public Sector Accounting Standards (PSAS).

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 report. We are independent of the Organization in accordance with 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 ASPE, 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Board of Directors of New Horizons
Charter School Society (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

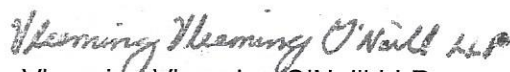
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 these 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 Organization'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 Organization'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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Sherwood Park, Alberta
November 20, 2019


Vleeming Vleeming O'Neill LLP
Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION
As at August 31, 2019 (in dollars)

		2019	2018
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 922,237	\$ 649,518
Accounts receivable (net after allowances)	(Note 3)	\$ 25,824	\$ 30,104
Portfolio investments			
Operating	(Schedule 5)	\$ 181,302	\$ 547,146
Endowments		\$ -	
Inventories for resale		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 1,129,363	\$ 1,226,768
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities		\$ 54,520	\$ 97,561
Deferred contributions	(Schedule 2)	\$ 7,972,535	\$ 7,994,235
Employee future benefits liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures		\$ -	\$ -
Unsupported: Debentures		\$ -	\$ -
Mortgages and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 8,027,055	\$ 8,091,796
Net debt		\$ (6,897,692)	\$ (6,865,028)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)	\$ 8,183,792	\$ 8,004,243
Inventory of supplies		\$ -	\$ -
Prepaid expenses		\$ 16,742	\$ 31,519
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 8,200,534	\$ 8,035,762
Accumulated surplus	(Schedule 1; Note 5)	\$ 1,302,842	\$ 1,170,734
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 1,302,842	\$ 1,170,734
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 1,302,842	\$ 1,170,734
Contractual rights	(Note 6)		
Contractual obligations	(Note 7)		

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019 (Note 12)	Actual 2019	Actual 2018
REVENUES			
Government of Alberta	\$ 3,428,933	\$ 3,923,885	\$ 3,669,933
Federal Government and First Nations	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 67,943	\$ 72,691	\$ 65,008
Other sales and services	\$ 3,500	\$ 2,525	\$ 1,375
Investment income	\$ 5,000	\$ 5,800	\$ 3,191
Gifts and donations	\$ 25,000	\$ 11,557	\$ 2,742
Rental of facilities	\$ 22,000	\$ 23,655	\$ 23,366
Fundraising	\$ -	\$ 10,982	\$ 5,213
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 3,552,376	\$ 4,051,095	\$ 3,770,828
EXPENSES			
Instruction - ECS	\$ 161,355	\$ 177,891	\$ 111,433
Instruction - Grades 1 - 12	\$ 2,779,264	\$ 2,710,659	\$ 2,657,977
Plant operations and maintenance (Schedule 4)	\$ 285,760	\$ 706,135	\$ 643,526
Transportation	\$ 117,981	\$ 88,756	\$ 98,219
Board & system administration	\$ 193,327	\$ 224,430	\$ 191,949
External services	\$ 11,181	\$ 11,116	\$ 7,640
Total expenses	\$ 3,548,868	\$ 3,918,987	\$ 3,710,744
Operating surplus (deficit)	\$ 3,508	\$ 132,108	\$ 60,084
Accumulated operating surplus (deficit) at beginning of year		\$ 1,170,734	\$ 1,110,649
Accumulated operating surplus (deficit) at end of year	\$ 3,508	\$ 1,302,842	\$ 1,170,733

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2019 (in dollars)

	2019	2018
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 132,108	\$ 60,084
Add (Deduct) items not affecting cash:		
Amortization of tangible capital assets	\$ 417,236	\$ 406,862
Net (gain)/loss on disposal of tangible capital assets	\$ -	\$ -
Transfer of tangible capital assets (from)/to other entities	\$ (461,445)	\$ -
(Gain)/Loss on sale of portfolio investments	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (406,983)	\$ (397,135)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
	\$ (319,084)	\$ 69,811
(Increase)/Decrease in accounts receivable	\$ 4,280	\$ 29,267
(Increase)/Decrease in inventories for resale	\$ -	\$ -
(Increase)/Decrease in other financial assets	\$ -	\$ -
(Increase)/Decrease in inventory of supplies	\$ -	\$ -
(Increase)/Decrease in prepaid expenses	\$ 14,773	\$ 348
(Increase)/Decrease in other non-financial assets	\$ -	\$ -
Increase/(Decrease) in accounts payable, accrued and other liabilities	\$ (43,037)	\$ 46,545
Increase/(Decrease) in deferred revenue (excluding EDCC)	\$ 385,283	\$ (13,628)
Increase/(Decrease) in employee future benefit liabilities	\$ -	\$ -
	\$ -	\$ -
Total cash flows from operating transactions	\$ 42,215	\$ 132,343
B. CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	\$ (135,340)	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
	\$ -	\$ -
Total cash flows from capital transactions	\$ (135,340)	\$ -
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (2,968)	\$ (2,804)
Proceeds on sale of portfolio investments	\$ 368,812	\$ -
Other (Describe)	\$ -	\$ -
	\$ -	\$ -
Total cash flows from investing transactions	\$ 365,844	\$ (2,804)
D. FINANCING TRANSACTIONS		
Debt issuances	\$ -	\$ -
Debt repayments	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Capital lease issuances	\$ -	\$ -
Capital lease payments	\$ -	\$ -
	\$ -	\$ -
	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 272,719	\$ 129,539
Cash and cash equivalents, at beginning of year	\$ 649,518	\$ 519,979
Cash and cash equivalents, at end of year	\$ 922,237	\$ 649,518

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019	2019	2018
Operating surplus (deficit)	\$ 3,508	\$ 132,108	\$ 60,084
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ -	\$ (135,340)	\$ (1,110,182)
Amortization of tangible capital assets	\$ -	\$ 417,236	\$ 406,862
Net (gain)/loss on disposal of tangible capital assets	\$ -	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ (461,445)	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ -	\$ (179,549)	\$ (703,320)
Acquisition of inventory of supplies	\$ -	\$ -	
Consumption of inventory of supplies	\$ -	\$ -	
(Increase)/Decrease in prepaid expenses	\$ -	\$ 14,777	\$ 348
(Increase)/Decrease in other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 3,508	\$ (32,664)	\$ (642,888)
Net debt at beginning of year	\$ (6,865,028)	\$ (6,865,028)	\$ (6,222,140)
Net debt at end of year	\$ (6,861,520)	\$ (6,897,692)	\$ (6,865,028)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2019 (in dollars)

	2019	2018
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Other Adjustment (Describe)	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

The accompanying notes and schedules are part of these financial statements.

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2019 (in dollars)**

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2018	\$ 1,170,734	\$ -	\$ 1,170,734	\$ 174,959	\$ -	\$ 253,951	\$ 181,469	\$ 560,355
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 1,170,734	\$ -	\$ 1,170,734	\$ 174,959	\$ -	\$ 253,951	\$ 181,469	\$ 560,355
Operating surplus (deficit)	\$ 132,108		\$ 132,108			\$ 132,108		
Board funded tangible capital asset additions				\$ 46,551		\$ (46,551)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -		\$ -	\$ -		
Amortization of tangible capital assets	\$ -		\$ -	\$ (417,236)		\$ 417,236		
Capital revenue recognized	\$ -		\$ -	\$ 406,983		\$ (406,983)		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -		
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -		
Net transfers to operating reserves	\$ -		\$ -			\$ -	\$ -	
Net transfers from operating reserves	\$ -		\$ -			\$ 30,593	\$ (30,593)	
Net transfers to capital reserves	\$ -		\$ -			\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -		\$ -			\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 1,302,842	\$ -	\$ 1,302,842	\$ 211,257	\$ -	\$ 380,354	\$ 150,876	\$ 560,355

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2019 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services			
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2018	\$ 40,000	\$ -	\$ -	\$ 560,355	\$ -	\$ 141,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 40,000	\$ -	\$ -	\$ 560,355	\$ -	\$ 141,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Netremeasurement gains (losses) for the year												
Encowment expenses & disbursements												
Encowment contributions												
Reinvested endowment income												
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,593)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 40,000	\$ -	\$ -	\$ 560,355	\$ -	\$ 110,876	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE 2

SCHEDULE OF DEFERRED CONTRIBUTIONS
(EXTERNALLY RESTRICTED CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2019 (in dollars)

Deferred Contributions (DC)	Other GoA Ministries excluding Infrastructure						Total other sources
	Alberta Education	Alberta Infrastructure	Description 1	Description 2	Description 3	Total Other GoA Ministries	
Balance at Aug 31, 2018	\$ 164,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,951
Prior period adjustments - please explain:							
Adjusted ending balance Aug. 31, 2018	\$ 164,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,951
Received during the year (excluding investment income)	60,872	-	-	-	-	-	60,872
Transfer (to) grant/donation revenue (excluding investment income)	(137,034)	-	-	-	-	-	137,034
Investment earnings	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-
Transferred (to) from UDCC	-	-	-	-	-	-	-
Transferred directly (to) EDCC	(88,789)	-	-	-	-	-	-
Transferred (to) from others - please explain:	-	-	-	-	-	-	-
DC Closing balance at Aug 31, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,789
Unspent Deferred Capital Contributions (UDCC)							
Balance at Aug 31, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments - please explain:							
Adjusted ending balance Aug. 31, 2018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Received during the year (excluding investment income)	-	-	-	-	-	-	-
UDCC Receivable	-	-	-	-	-	-	-
transfer (to) grant/donation revenue (excluding investment income)	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-
Proceeds on disposition of supported capital/ insurance proceeds (and related interest)	-	-	-	-	-	-	-
Transferred from (to) DC	-	-	-	-	-	-	-
Transferred from (to) EDCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transferred (to) from others - please explain:	-	-	-	-	-	-	-
UDCC Closing balance at Aug 31, 2019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expended Deferred Capital Contributions (EDCC)							
Balance at Aug 31, 2018	\$ -	\$ 7,823,884	\$ -	\$ -	\$ -	\$ 7,823,884	\$ 7,823,284
Prior period adjustments - please explain:							
Adjusted ending balance Aug. 31, 2018	\$ -	\$ 7,823,884	\$ -	\$ -	\$ -	\$ 7,823,884	\$ 7,823,284
Donated tangible capital assets	-	-	-	-	-	-	-
Alberta Infrastructure managed projects	-	-	-	-	-	-	-
Transferred from DC	88,789	461,445	-	-	-	461,445	461,445
Transferred from UDCC	-	-	-	-	-	-	88,789
Amounts recognized as revenue (Amortization of EDCC)	(9,167)	(396,736)	-	-	-	396,736	-
Disposal of supported capital assets	-	-	-	-	(1,060)	-	1,060.00
Transferred (to) from others - please explain:	-	-	-	-	-	-	-
EDCC Closing balance at Aug 31, 2019	\$ 79,622	\$ 7,888,593	\$ -	\$ -	\$ -	\$ 7,888,593	\$ 7,972,635

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2019 (in dollars)

REVENUES	2019						2018	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 230,867	\$ 2,792,093	\$ 241,362	\$ 43,144	\$ 193,837	\$ -	\$ 3,501,303	\$ 3,265,956
(2) Alberta Infrastructure	\$ -	\$ -	\$ 392,609	\$ -	\$ -	\$ -	\$ 392,609	\$ 391,485
(3) Other - Government of Alberta	\$ 6,680	\$ 210	\$ -	\$ -	\$ -	\$ -	\$ 6,890	\$ -
(4) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Other Alberta school authorities	\$ -	\$ 1,254	\$ 21,829	\$ -	\$ -	\$ -	\$ 23,083	\$ 12,492
(6) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(9) Fees	\$ 4,838	\$ 67,853	\$ -	\$ -	\$ -	\$ -	\$ 72,691	\$ 65,008
(10) Other sales and services	\$ -	\$ 2,525	\$ -	\$ -	\$ -	\$ -	\$ 2,525	\$ 1,375
(11) Investment income	\$ -	\$ 3,229	\$ 2,571	\$ -	\$ -	\$ -	\$ 5,800	\$ 3,191
(12) Gifts and donations	\$ -	\$ 10,477	\$ 1,080	\$ -	\$ -	\$ -	\$ 11,557	\$ 2,742
(13) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,655	\$ 23,366
(14) Fundraising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,982	\$ 5,213
(15) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17) TOTAL REVENUES	\$ 242,385	\$ 2,877,641	\$ 659,451	\$ 43,144	\$ 193,837	\$ 34,637	\$ 4,051,095	\$ 3,770,828
EXPENSES								
(18) Certificated salaries	\$ 73,304	\$ 1,662,486	\$ -	\$ -	\$ -	\$ -	\$ 1,735,790	\$ 1,675,831
(19) Certificated benefits	\$ 7,669	\$ 384,389	\$ -	\$ -	\$ -	\$ -	\$ 392,058	\$ 354,627
(20) Non-certificated salaries and wages	\$ 73,394	\$ 211,662	\$ 21,066	\$ 9,075	\$ 32,830	\$ -	\$ 348,027	\$ 243,587
(21) Non-certificated benefits	\$ 20,488	\$ 48,860	\$ -	\$ -	\$ 14,277	\$ -	\$ 83,625	\$ 43,330
(22) SUB - TOTAL	\$ 174,855	\$ 2,307,397	\$ 21,066	\$ 9,075	\$ 47,107	\$ -	\$ 2,559,500	\$ 2,317,375
(23) Services, contracts and supplies	\$ 3,036	\$ 402,048	\$ 286,689	\$ 79,681	\$ 174,614	\$ 11,116	\$ 937,184	\$ 973,998
(24) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 406,983	\$ -	\$ -	\$ -	\$ 406,983	\$ 397,135
(25) Amortization of unsupported tangible capital assets	\$ -	\$ -	\$ 10,263	\$ -	\$ -	\$ -	\$ 10,253	\$ 9,727
(26) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Other interest and finance charges	\$ -	\$ 1,214	\$ 1,144	\$ -	\$ 2,709	\$ -	\$ 5,067	\$ 5,509
(29) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(31) TOTAL EXPENSES	\$ 177,891	\$ 2,710,659	\$ 706,135	\$ 88,756	\$ 224,430	\$ 11,116	\$ 3,918,987	\$ 3,710,744
(32) OPERATING SURPLUS (DEFICIT)	\$ 64,494	\$ 166,982	\$ (46,684)	\$ (45,612)	\$ (30,593)	\$ 23,521	\$ 132,108	\$ 60,084

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE
for the Year Ended August 31, 2019 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2019 TOTAL Operations and Maintenance	2018 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncertificated benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total Remuneration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and services	\$ 86,808	\$ 89,648	\$ 6,488	\$ 3,597	\$ 27,263	\$ -	\$ -	\$ 213,804	\$ 155,175
Electricity			\$ 26,524					\$ 26,524	\$ 23,607
Natural gas/heating fuel			\$ 25,750					\$ 25,750	\$ 21,173
Sewer and water			\$ 3,639					\$ 3,639	\$ 8,607
Telecommunications			\$ 1,482					\$ 1,482	\$ 2,036
Insurance					\$ 16,555			\$ 16,555	\$ 21,670
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets								\$ -	\$ -
Supported							\$ 406,984	\$ 406,984	\$ 385,785
Unsupported						\$ 10,253		\$ 10,253	\$ 6,816
Total Amortization						\$ 10,253	\$ 406,984	\$ 417,237	\$ 402,601
Interest on capital debt								\$ -	\$ -
Supported							\$ -	\$ -	\$ -
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ 1,144		\$ 1,144	\$ 8,457
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 86,808	\$ 89,648	\$ 63,883	\$ 3,597	\$ 43,818	\$ 11,397	\$ 406,984	\$ 706,135	\$ 643,526

SQUARE METRES	School buildings	Non school buildings
	3,446.0	0.0
	3,446.0	0.0

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2019 (in dollars)**

Cash & Cash Equivalents	2019		2018
	Average Effective (Market) Yield	Cost	Amortized Cost
Cash			\$ 649,518
Cash equivalents			\$ 922,237
Government of Canada, direct and guaranteed	0.00%	-	-
Provincial, direct and guaranteed	0.00%	-	-
Corporate	0.00%	-	-
Other, including GIC's	0.00%	-	-
Total cash and cash equivalents	0.00%	\$ -	\$ 922,237

See Note 3 for additional detail.

Portfolio Investments	2019			2018	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Interest-bearing securities					
Deposits and short-term securities	1.59%	\$ 181,302	\$ -	\$ 181,302	\$ 547,146
Bonds and mortgages	0.00%	-	-	-	-
	1.59%	181,302	-	181,302	547,146
Equities					
Canadian equities	0.00%	\$ -	\$ -	\$ -	\$ -
Global developed equities	0.00%	-	-	-	-
Emerging markets equities	0.00%	-	-	-	-
Private equities	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Other					
Other (Specify)	0.00%	\$ -	\$ -	\$ -	\$ -
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Total portfolio investments	1.59%	\$ 181,302	\$ -	\$ 181,302	\$ 547,146

Portfolio investments	2019	2018
Operating		
Cost	\$ 181,302	\$ 547,146
Unrealized gains and losses	-	-
	181,302	547,146
Endowments		
Cost		\$ -
Unrealized gains and losses	-	-
Deferred revenue	-	-
Total portfolio investments	\$ 181,302	\$ 547,146

The following represents the maturity structure for portfolio investments based on principal amount:

	2019	2018
Under 1 year	100.0%	100.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6

School Jurisdiction Code: **6015**

SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the Year Ended August 31, 2019 (in dollars)

	2019					Total	2018
	Land	Work in Progress	Buildings 25 - 50 Years	Equipment 5 Years	Vehicles		
Historical cost							
Estimated useful life							
Beginning of year	\$ -	\$ 27,366	\$ 8,752,144	\$ 34,644	\$ -	\$ 8,814,154	\$ 7,703,972
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	12,019	553,253	31,513	-	596,785	1,110,182
Transfers in (out)	-	(27,366)	27,366	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-
Historical cost, August 31, 2019	\$ -	\$ 12,019	\$ 9,332,763	\$ 66,157	\$ -	\$ 9,410,939	\$ 8,814,154
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 792,312	\$ 17,599	\$ -	\$ 809,911	\$ 403,049
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	407,524	9,712	-	417,236	406,862
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-
Accumulated amortization, August 31, 2019	\$ -	\$ -	\$ 1,199,836	\$ 27,311	\$ -	\$ 1,227,147	\$ 809,911
Net Book Value at August 31, 2019	\$ -	\$ 12,019	\$ 8,132,927	\$ 38,846	\$ -	\$ 8,183,792	\$ -
Net Book Value at August 31, 2018	\$ -	\$ 27,366	\$ 7,959,832	\$ 17,045	\$ -	\$ 8,004,243	\$ -

	2019	2018
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

Work in progress includes new portables with accumulated costs of \$12,019, expected to be put into use in the 2020 fiscal year.

SCHEDULE 7

School Jurisdiction Code: **6015**

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2019 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Chair: Nicole Pasemko	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Dan Hanson	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Shari Morin	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Vincent Tong	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Michelle MacDonald	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Jason Clarke	1.00	\$0	\$0	\$0	\$0		\$0	\$0
Director: Vicki Nielsen	1.00	\$0	\$0	\$0	\$0		\$0	\$0
	-	\$0	\$0	\$0	\$0		\$0	\$0
	-	\$0	\$0	\$0	\$0		\$0	\$0
	-	\$0	\$0	\$0	\$0		\$0	\$0
	-	\$0	\$0	\$0	\$0		\$0	\$0
	-	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	7.00	\$0	\$0	\$0	\$0		\$0	\$0
Superintendent, Don Falk	0.48	\$88,604	\$0	\$0	\$0	\$0	\$0	\$793
Secretary Treasurer, Godfried de Kleine	0.33	\$42,262	\$0	\$0	\$0	\$0	\$0	\$0
Secretary Treasurer, Tracy Leigh	0.87	\$66,667	\$7,695	\$6,583	\$0	\$0	\$0	\$1,500
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated		\$1,735,790	\$392,058	\$0	\$0	\$0	\$0	\$0
School based	19.81							
Non-School based								
Non-certificated								
Instructional	7.19	\$285,056	\$69,347	\$0	\$0	\$0	\$0	\$0
Plant Operations & Maintenance								
Transportation								
Other	2.54							
TOTALS	38.02	\$2,218,379	\$469,100	\$6,583	\$0	\$0	\$0	\$2,293

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
August 31, 2019

1. Authority and Purpose

The Society delivers education programs under the authority of the *School Act, Revised Statutes of Alberta 2000*, Chapter S-3.

The Society receives instruction and support allocations under *Education Grants Regulation (AR 120/2008)*. The regulation allows for the setting of conditions and use of grant monies. The Society is limited on certain funding allocations and administration expenses.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with the CICA *Canadian public sector accounting standards (PSAS)*. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

A. Reporting Entity and Method of Consolidation

The Fundraising Association of New Horizons School is not a controlled entity and has not been consolidated with the Society's financial statements.

B. Basis of Financial Reporting

Valuation of Financial Assets and Liabilities

The Society's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Portfolio investments	Amortized cost
Accounts payable and accrued liabilities	Cost

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets represent the school jurisdictions' financial claims on external organizations and individuals.

B. Cash and Cash Equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of a change in value. Cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term commitments rather than for investment purposes.

C. Accounts Receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A recovery allowance is recognized when recovery is uncertain.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

2. Significant Accounting Policies (continued)

D. Portfolio Investments

The Society has investments in GIC's that have a maturity of greater than 3 months. GIC's are reported at cost or amortized cost.

E. Liabilities

Liabilities are present obligations of the Society to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

F. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include unearned revenue collected from external organizations and individuals for which goods and services have yet to be provided.

G. Deferred Contributions

Deferred contributions includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200*. These contributions are recognized by the Society once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also include contributions for capital expenditures, unexpended and expended.

Unexpended Deferred Capital Contributions (UDCC) represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the Society, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.

Expended Deferred Capital Contributions (EDCC) represents externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the Society use the asset in a prescribed manner over the live of the associated asset.

Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
August 31, 2019

2. Significant Accounting Policies (continued)

H. Employee Future Benefits

The Society provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The Society accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, plans. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

I. Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead are normally employed to deliver government services, may be consumed in the normal course of operations, and are not for sale in the normal course of operations.

J. Tangible Capital Assets

Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.

Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.

Construction-in-progress is recorded as a transfer to the applicable asset class at substantial completion.

Buildings include site and leasehold improvements.

Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Society to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For Supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Contributions.

Tangible capital assets with costs in excess of \$5,000 are capitalized.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

2. Significant Accounting Policies (continued)

J. Tangible Capital Assets (continued)

Leases that, from the point of view of the Society, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs. The discount rate used to determine the present value of the lease payments is the lower of the Society's rate for incremental borrowing or the interest rate implicit in the lease.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	4-5%
Equipment and Furnishings	20%

K. Prepaid expenses

Prepaid expenses are recognized at cost and amortized based on the terms of the agreement or using a methodology that reflects the use of the resources.

L. Other Assets

Construction-in-progress managed by Alberta Infrastructure are not recognized in these financial statements.

M. Operating and Capital Reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Directors. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in accumulated Surplus.

N. Revenue Recognition

Revenues are recorded on an accrual basis. Instruction and support allocations are recognized in the year to which they relate. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

2. Significant Accounting Policies (continued)

N. Revenue Recognition (continued)

Eligibility criteria are criteria that the Society has to meet in order to receive certain contributions. Stipulations describe what the Society must perform in order to keep the contributions.

Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with PS 3200. Such liabilities are recorded as deferred contributions.

O. Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program. Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary. Supplies and services are allocated based on actual program identification.

P. Program Reporting

The Society's operations have been segmented as follows:

ECS Instruction: The provision of Early Childhood Services educational instructional services that fall under the basic public education mandate.

Grade 1-12 Instruction: The provision of instructional services for grades 1-12 that fall under the basic public education mandate.

Plant Operations and Maintenance: The operation and maintenance of all school building and maintenance shop facilities.

Transportation: The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.

Board & System Administration: The provision of board governance and system-based / central office administration.

External Services: All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

2. Significant Accounting Policies (continued)

P. Program Reporting (continued)

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants as well as proportionate share of supplies & services, school administration & instruction support, and system instructional support.

Q. Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Society recognizes a financial instrument when it becomes a party to a financial instrument contract.

R. Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. The preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

S. Change in Accounting Policy

The Society has prospectively adopted the following standards from September 1, 2017: PS 3430 *Restructuring Transactions*. Adoption of this standard had no change on the financial statements.

T. Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

PS 3280 Asset Retirement Obligations (effective April 1, 2021)

Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

PS 3400 Revenue (effective September 1, 2022)

This standard provides guidance on how to account for and report on revenue, and specifically it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

3. Accounts Receivable

	2019	2018
Greater North Central Francophone Education Region No. 2	\$11,241	\$14,146
Federal Government - Goods and Services Tax Recoverable	11,560	13,928
Interest Receivable	1,748	1,840
Edmonton Regional Learning Consortium	1,254	0
Other	21	190
	\$25,824	\$30,104

4. Benefits Plans

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers Pension Plan Act*, the Society does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the School year ended August 31, 2019, the amount contributed by the Government was \$186,533 (2018 - \$176,289).

5. Accumulated Surplus

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus is summarized as follows:

	2019	2018
Operating Reserves		
Board System and Administration	\$110,876	\$141,469
Maternity Leave	40,000	40,000
	150,876	181,469
Unrestricted Surplus	380,354	253,951
Invested in Tangible Capital Assets	211,257	174,959
Capital Reserve	560,355	560,355
Accumulated Surplus	\$1,302,842	\$1,170,734

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
August 31, 2019

5. Accumulated Surplus (continued)

Accumulated surplus from operations includes school generated funds of \$6,235 (2018 - \$5,956). These funds are raised at the school level and are not available to spend at the board level. The School jurisdiction's adjusted surplus from operations are as follows:

	2019	2018
Accumulated Surplus from Operations	\$1,302,842	\$1,170,734
School Generated Funds included in Accumulated Surplus (Note 8)	(6,235)	(5,956)
Adjusted Accumulated Surplus from Operations	\$1,296,607	\$1,164,778

6. Contractual Rights

Contractual rights are rights of the Society to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2019	2018
Contractual rights from operating leases	\$7,156	\$7,156

The Society has entered into an operating lease to provide certain space to a third party for childcare.

The Society has entered into a service agreement with Greater North Central Francophone Education Region No. 2. This agreement calls for the sharing of certain operating expenses. No amount has been recorded as a contractual right as the amount recoverable under this agreement cannot be reasonably determined at this time.

7. Contractual Obligations

	2019	2018
Contracted Services	\$198,000	\$269,537
Construction Contract	293,600	228,690
Office Equipment	9,218	14,246
	\$500,818	\$512,473

The Society has leased office equipment with a cost of \$1,257 per quarter, expiring June, 2020.

The Society has entered into a 3 year agreement for the provision of superintendent services, expiring August 30, 2022.

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
 August 31, 2019

7. Contractual Obligations (continued)

The Society has entered into a lease agreement with Elk Island Catholic Separate Regional Division No 41. regarding the rental of a school, commencing April 1, 2016. This agreement will continue until the expiry of the charter, but shall be renewed upon the successful renewal of the charter, subject to; the Society does not dissolve or cease operations, the Society does not become bankrupt, and the Society complies with directives to remedy faults in fulfilling the lease. The lease agreement includes a provision for the transfer of Infrastructure Maintenance Renewal Funding provided by Alberta Education to Elk Island Catholic Separate Regional Division No. 41. to the Society, less an administrative fee.

The Society has entered into a construction contract for modular classrooms and paving, with a total cost of \$293,600. This contract is expected to be completed in 2020.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Office Equipment	Contracted Services	Construction Contract	Total
2020	\$5,028	\$66,000	\$293,600	\$364,628
2021	4,190	66,000	0	70,190
2022	0	66,000	0	66,000
	<u>\$9,218</u>	<u>\$198,000</u>	<u>\$293,600</u>	<u>\$500,818</u>

8. School Generated Funds

	Deferred Revenue	Accumulated Surplus	2019	2018
Balance, Beginning of Year	\$0	\$5,956	\$5,956	\$8,300
Gross Receipts:				
Fees	0	10,982	10,982	3,736
Fundraising	0	0	0	5,213
Total Gross Receipts	<u>0</u>	<u>10,982</u>	<u>10,982</u>	<u>8,949</u>
Expenditures:				
Uses of Funds	0	10,703	10,703	11,293
Total Expenditures	<u>0</u>	<u>10,703</u>	<u>10,703</u>	<u>11,293</u>
Balance, End of Year	<u>\$0</u>	<u>\$6,235</u>	<u>\$6,235</u>	<u>\$5,956</u>

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

9. Related Party Transactions

Related parties are those entities consolidated or accounted for on a modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personal in the society and their close family members.

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets	Liabilities	Revenue	Expenses
Government of Alberta				
Alberta Education				
Grant revenue and expenses	\$0	\$0	\$3,361,562	\$0
Furniture and Equipment and Career and Technology Studies				
Equipment allocations	0	0	133,438	0
Expended Deferred Capital	0	80,326	6,303	0
Alberta Health Services	0	0	0	600
University of Alberta	0	0	210	0
Community Options	0	0	6,680	0
Alberta Infrastructure				
Expended Deferred Capital				
Revenue	0	7,885,729	392,609	0
Other Alberta School Divisions				
Edmonton Regional				
Learning Consortium	1,254	0	1,254	0
Edmonton School Division No. 7	0	0	0	3,076
Greater North Central Francophone				
Education Region No. 2	11,241	0	11,241	0
Elk Island Public Schools				
Regional Division No. 14	0	0	0	44,677
Elk Island Catholic Separate				
Regional Division No. 41	0	0	10,588	1,000
Total 2018/2019	\$12,495	\$7,966,055	\$3,923,885	\$49,353
Total 2017/2018	\$14,146	\$8,152,149	\$3,669,903	\$73,442

10. Economic Dependence on Related Third Party

The Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependant on this funding.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2019

11. Other expenses

Other expenses includes bad debts expense of \$nil (2018 - \$7,000).

12. Budgeted Amounts

The budget was prepared by the Society and approved by the Board of Directors on May 30, 2018.

UNAUDITED SCHEDULE OF FEES
for the Year Ending August 31, 2019 (in dollars)

	Actual Fees Collected 2017/2018	Budgeted Fee Revenue 2018/2019	(A) Actual Fees Collected 2018/2019	(B) Unexpended September 1, 2018*	(C) Funds Raised to Defray Fees 2018/2019	(D) Expenditures 2018/2019	(A) + (B) + (C) - (D), Unexpended Balance at August 31, 2019*
Transportation Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Basic Instruction Fees							
Basic instruction supplies	\$16,617	\$19,048	\$18,242	\$0	\$0	\$18,242	\$0
Fees to Enhance Basic Instruction							
Technology user fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$10,180	\$4,560	\$9,020	\$4,770	\$0	\$9,600	\$4,190
Activity fees	\$11,388	\$16,065	\$19,896	\$0	\$0	\$23,825	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees							
Extracurricular fees	\$3,736	\$0	\$0	\$360	\$0	\$0	\$360
Non-curricular travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$23,087	\$28,270	\$25,532	\$6,296	\$0	\$22,240	\$9,588
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$65,008	\$67,943	\$72,690	\$11,426	\$0	\$73,907	\$14,138

*Unexpended balances cannot be less than \$0

	Actual 2019	Actual 2018
Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):		
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$63	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$63	\$0

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING
for the Year Ended August 31, 2019 (in dollars)

	PROGRAM AREA					Small Schools by Necessity (Revenue Only)
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education		
Funded Students in Program	6		11			
Federally Funded Students						
REVENUES						
Alberta Education allocated funding	\$ 7,069	\$ -	\$ 8,247	\$ 18,997	\$ -	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 7,069	\$ -	\$ 8,247	\$ 18,997	\$ -	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)						
Instructional certificated salaries & benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instructional non-certificated salaries & benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUB TOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies, contracts and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET FUNDING SURPLUS (SHORTFALL)	\$ 7,069	\$ -	\$ 8,247	\$ 18,997	\$ -	\$ -