

**NEW HORIZONS CHARTER SCHOOL SOCIETY**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2022

AND

INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT

To the Members of **New Horizons Charter School Society**:

### *Opinion*

We have audited the financial statements of **New Horizons Charter School Society** (the Entity), which consist of the statement of financial position at August 31, 2022, and statements of changes in net assets, operations and of cash flows 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 the Entity as at August 31, 2022, and the results of its operations and its cash flows for the year then ended 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 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 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 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 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.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Edmonton, Alberta  
November 23, 2022

*Yaremchuk & Annicchiarico* LLP  
Chartered Professional Accountants

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT AUGUST 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS:</b>		
Cash .....	\$ 1,015,090	\$ 974,072
Term deposits .....	114,809	114,238
Accounts receivable (Note 3) .....	<u>108,999</u>	<u>23,499</u>
Total financial assets .....	<u>1,238,898</u>	<u>1,111,809</u>
<b>LIABILITIES:</b>		
Accounts payable and accrued liabilities (Note 4) .....	131,029	268,729
Unspent deferred contributions .....	<u>33,334</u>	<u>12,421</u>
Total liabilities .....	<u>164,363</u>	<u>281,150</u>
<b>NET FINANCIAL ASSETS</b> .....	<u>1,074,535</u>	<u>830,659</u>
<b>NON-FINANCIAL ASSETS:</b>		
Tangible capital assets (Schedule 1) .....	8,638,498	8,542,580
Prepaid expenses (Note 5) .....	<u>41,955</u>	<u>23,393</u>
Total non-financial assets .....	<u>8,680,453</u>	<u>8,565,973</u>
<b>NET ASSETS BEFORE SPENT DEFERRED CAPITAL CONTRIBUTIONS</b> .....	9,754,988	9,396,632
<b>SPENT DEFERRED CAPITAL CONTRIBUTIONS</b> .....	<u>(8,004,282)</u>	<u>(7,846,685)</u>
<b>ACCUMULATED SURPLUS (Schedule 2)</b> .....	<u>\$ 1,750,706</u>	<u>\$ 1,549,947</u>

Approved by the Board:

..... Director

..... Director

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>REVENUE:</b>		
Alberta Education.....	\$4,233,107	\$3,697,479
Alberta Infrastructure .....	345,992	356,947
Government of Alberta - other .....	46,630	-
Other Alberta School authorities .....	19,378	14,907
Fees.....	97,384	62,301
Other sales and services .....	5,708	1,059
Investment .....	2,552	2,126
Donations.....	7,293	6,403
Rental of facilities.....	19,026	11,247
Fundraising .....	<u>3,787</u>	<u>11,332</u>
Total revenue.....	<u>4,780,857</u>	<u>4,163,801</u>
<b>EXPENSES:</b>		
Instruction - ECS.....	93,959	88,516
- Grade 1 to Grade 9 .....	3,437,658	3,117,238
Operations and maintenance.....	795,264	645,655
Transportation.....	52,905	50,318
Administration .....	193,990	193,990
External services.....	<u>6,311</u>	<u>3,502</u>
Total expenses .....	<u>4,580,098</u>	<u>4,099,219</u>
OPERATING SURPLUS FOR THE YEAR .....	200,759	64,582
ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR.....	<u>1,549,947</u>	<u>1,485,365</u>
ACCUMULATED SURPLUS AT END OF THE YEAR .....	<u>\$1,750,706</u>	<u>\$1,549,947</u>

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>2022</u>	<u>2021</u>
OPERATING SURPLUS FOR THE YEAR .....	\$ <u>200,759</u>	\$ <u>64,582</u>
Amortization of tangible capital assets .....	<u>405,769</u>	394,643
Acquisition of tangible capital assets .....	<u>(501,687)</u>	<u>(668,745)</u>
Total effect of changes in tangible capital assets ...	<u>(95,918)</u>	<u>(274,102)</u>
NET CHANGE IN INVENTORY OF SUPPLIES .....	<u>-</u>	<u>3,072</u>
NET CHANGE IN PREPAID EXPENSES .....	<u>(18,562)</u>	<u>27,936</u>
NET CHANGE IN SPENT DEFERRED CAPITAL CONTRIBUTIONS .....	<u>157,597</u>	<u>195,234</u>
INCREASE IN NET FINANCIAL ASSETS .....	<u>243,876</u>	16,722
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR ..	<u>830,659</u>	<u>813,937</u>
NET FINANCIAL ASSETS AT END OF THE YEAR .....	<u>\$1,074,535</u>	<u>\$ 830,659</u>

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>OPERATING ACTIVITIES:</b>		
Operating surplus for the year .....	\$ 200,759	\$ 64,582
Items not involving cash for operations:		
Amortization of tangible capital assets .....	405,769	394,643
Spent deferred capital recognized as revenue .....	<u>(377,775)</u>	<u>(368,060)</u>
	<b>228,753</b>	91,165
Add (deduct) change in non-cash working capital balances:		
Accounts receivable .....	(85,500)	(746)
Prepaid expenses .....	(18,562)	27,936
Accounts payable and accrued liabilities .....	(137,700)	186,199
Inventory of supplies .....	-	3,072
Unspent deferred contributions .....	<u>20,913</u>	<u>(331,470)</u>
Net cash from (used in) operating activities .....	<b>7,904</b>	(23,844)
<b>CAPITAL ACTIVITY - acquisition of tangible capital assets ..</b>	<b>(501,687)</b>	(668,745)
<b>INVESTING ACTIVITY - decrease in term deposits .....</b>	<b>(571)</b>	(1,633)
<b>FINANCING ACTIVITY - increase in spent deferred capital contributions .....</b>	<b><u>535,372</u></b>	<b><u>563,294</u></b>
<b>NET CHANGE IN CASH DURING THE YEAR .....</b>	<b>41,018</b>	(130,928)
<b>CASH AT BEGINNING OF THE YEAR .....</b>	<b><u>974,072</u></b>	<b><u>1,105,000</u></b>
<b>CASH AT END OF THE YEAR .....</b>	<b><u>\$1,015,090</u></b>	<b><u>\$ 974,072</u></b>

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**SCHEDULE OF TANGIBLE CAPITAL ASSETS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>Buildings</u>	<u>Office Equipment</u>	<u>Construction in Progress</u>	<u>2022</u>	<u>2021</u>
<b>COST:</b>					
Balance at beginning of the year .....	\$10,477,879	\$66,157	\$ 33,685	\$10,577,721	\$ 9,908,976
Acquisition of tangible capital assets .....	501,687	-	-	501,687	668,745
Transfer .....	<u>33,685</u>	<u>-</u>	<u>(33,685)</u>	<u>-</u>	<u>-</u>
Balance at end of the year .....	<u>11,013,251</u>	<u>66,157</u>	<u>-</u>	<u>11,079,408</u>	<u>10,577,721</u>
<b>ACCUMULATED AMORTIZATION:</b>					
Balance at beginning of the year .....	1,993,845	41,296	-	2,035,141	1,640,498
Amortization .....	<u>400,797</u>	<u>4,972</u>	<u>-</u>	<u>405,769</u>	<u>394,643</u>
Balance at end of the year .....	<u>2,394,642</u>	<u>46,268</u>	<u>-</u>	<u>2,440,910</u>	<u>2,035,141</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS .....</b>	<b>\$ 8,618,609</b>	<b>\$19,889</b>	<b>\$ -</b>	<b>\$ 8,638,498</b>	<b>\$ 8,542,580</b>



**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	<u>2022</u>	<u>2021</u>
Balance beginning of the year.....	\$ 679,752	\$ 57,109
Operating surplus for the year.....	200,759	200,759
Amortization of tangible capital assets .....	405,769	-
Capital revenue recognized.....	(377,775)	(405,769)
Transfer .....	(100,000)	377,775
	<u>100,000</u>	<u>100,000</u>
Balance at end of the year .....	<u>\$ 808,505</u>	<u>\$ 157,109</u>
	<u>\$ 150,876</u>	<u>\$ 634,216</u>
	<u>\$ 1,549,947</u>	<u>\$ 1,485,365</u>
	<u>200,759</u>	<u>64,582</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>100,000</u>	<u>-</u>
	<u>\$ 1,750,706</u>	<u>\$ 1,549,947</u>

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**SCHEDULE OF PROGRAM OPERATIONS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

	Instruction (ECS)	Instruction (Grade 1 to Grade 9)	Operations and Maintenance	Transportation	Board and System Administration	External Services	2022	2021
<b>REVENUE:</b>								
Alberta Education .....	\$118,821	\$3,542,942	\$326,210	\$51,144	\$193,990	\$ -	\$4,233,107	\$3,697,479
Alberta Infrastructure .....	-	-	345,992	-	-	-	345,992	356,947
Government of Alberta - other .....	-	46,630	-	-	-	-	46,630	-
Other Alberta School authorities .....	-	-	19,378	-	-	-	19,378	14,907
Fees .....	2,991	94,393	-	-	-	-	97,384	62,301
Other sales and services .....	-	5,708	-	-	-	-	5,708	1,059
Investment income .....	-	1,780	772	-	-	-	2,552	2,126
Donations .....	-	111	7,182	-	-	-	7,293	6,403
Rental of facilities .....	-	-	-	-	-	19,026	19,026	11,247
Fundraising .....	-	-	-	-	-	3,787	3,787	11,332
Total revenue .....	<u>121,812</u>	<u>3,691,564</u>	<u>699,534</u>	<u>51,144</u>	<u>193,990</u>	<u>22,813</u>	<u>4,780,857</u>	<u>4,163,801</u>
<b>EXPENSES:</b>								
Salaries and benefits:								
- certificated .....	91,728	2,487,098	-	-	88,892	-	2,667,718	2,471,328
- non-certificated .....	-	477,338	45,017	5,625	61,889	-	589,869	600,992
Services, contracts and supplies .....	2,231	469,764	344,478	47,280	39,410	6,277	909,440	626,466
Amortization of tangible capital assets .....	-	-	405,769	-	-	-	405,769	394,643
Other interest and finance charges .....	-	3,458	-	-	3,799	45	7,302	5,790
Total expenses .....	<u>93,959</u>	<u>3,437,658</u>	<u>795,264</u>	<u>52,905</u>	<u>193,990</u>	<u>6,322</u>	<u>4,580,098</u>	<u>4,099,219</u>
<b>OPERATING SURPLUS (DEFICIT)</b> <b>FOR THE YEAR .....</b>	<u>\$ 27,853</u>	<u>\$ 253,906</u>	<u>\$ (95,730)</u>	<u>\$ (1,761)</u>	<u>\$ -</u>	<u>\$ 16,491</u>	<u>\$ 200,759</u>	<u>\$ 64,582</u>

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2022

---

### 1. AUTHORITY AND PURPOSE:

The Society delivers education programs under the authority of the *Education Act*, 2012, Chapter E-0.3.

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 administrative expenses.

### 2. ACCOUNTING POLICIES:

These financial statements are prepared in accordance with the Canadian Public Sector Accounting Standards (PSAS) of CPA Canada. Significant policies are as follows:

#### *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.

#### *Operating and Capital Reserves:*

Certain amounts, as approved by the Board of Trustees, 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.

#### *Revenue recognition:*

Instruction and support allocations are recognized as revenue 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.

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.

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2022

---

2. ACCOUNTING POLICIES (continued):

*Revenue recognition:*

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.

*Deferred contributions:*

Deferred contributions include 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 School District once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred contributions 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 contributions also includes contributions for capital expenditures, unspent and spent.

Unspent Deferred Capital Contributions (UDCC) represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, 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 spent.

Spent Deferred Capital Contributions (SDCC) 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 school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

*Tangible capital assets:*

Tangible capital assets are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset.

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

Buildings include site and leasehold improvements

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

---

2. ACCOUNTING POLICIES (continued):

*Tangible capital assets (continued):*

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 Spent Deferred Capital Contributions.

The cost is amortized using the declining-balance method over the estimated useful life as follows:

Buildings .....	4-5%
Office equipment.....	20%

Office equipment with a cost in excess of \$5,000 is capitalized and purchases under \$5,000 are expensed in the year of acquisition.

*Program reporting:*

The Society's operations have been segmented as follows:

**ECS Instruction:** The provision of ECS education instructional services fall under the basic public education mandate.

**Grade 1 to Grade 9 Instruction:** The provision of Grade 1 to Grade 9 instructional services that fall under the basic public education mandate.

**Operations and maintenance:** The operation and maintenance of all school buildings 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 and 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 1-9. Services offered beyond 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 THE FINANCIAL STATEMENTS  
AUGUST 31, 2022

---

2. ACCOUNTING POLICIES (continued):

*Program reporting (continued):*

The allocation of revenue 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 a proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

*Pensions:*

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

The current 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 New Horizons Charter School 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 revenue and expenses. For the year ended August 31, 2022 the amount contributed by the Government of Alberta was \$227,541 (2021 - \$210,026).

*Cash and cash equivalents:*

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

*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.

Financial instruments consist of cash and cash equivalents, term deposits, accounts receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

2. ACCOUNTING POLICIES (continued):

*Use of estimates:*

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 reporting period. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE:

Accounts receivable is comprised of the following:

	<u>2022</u>	<u>2021</u>
Greater North Central Francophone Education Region No. 2 .....	\$ 13,272	\$ 8,519
Federal Government - Goods and Services Tax Recoverable .....	28,069	13,823
Interest receivable .....	597	396
Provincial Government - Alberta Infrastructure .....	65,930	-
Trade receivables and other .....	<u>1,131</u>	<u>761</u>
	<u>\$108,999</u>	<u>\$23,499</u>

4. ACCOUNTS PAYABLE:

Accounts payable is comprised of the following:

	<u>2022</u>	<u>2021</u>
Alberta Education - WMA .....	\$ 49,721	\$143,694
Other salaries and benefit costs .....	2,786	-
Other trade payables and accrued liabilities .....	<u>78,522</u>	<u>125,035</u>
Total .....	<u>\$131,029</u>	<u>\$268,729</u>

5. PREPAID EXPENSES:

Prepaid expenses are comprised of the following:

	<u>2022</u>	<u>2021</u>
Prepaid health spending account .....	\$ 8,366	\$ 6,723
Prepaid software subscriptions .....	29,671	12,347
Prepaid memberships .....	2,274	2,338
Prepaid services and supplies .....	<u>1,644</u>	<u>1,985</u>
Total .....	<u>\$41,955</u>	<u>\$23,393</u>

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

---

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.

	<u>2022</u>	<u>2021</u>
Contractual rights from operating leases.....	<u>\$7,329</u>	<u>\$7,329</u>

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. NET ACCUMULATED OPERATING SURPLUS - INTERNALLY RESTRICTED:

By resolution of the Board of Directors, funds have been internally restricted as follows:

	<u>2022</u>	<u>2021</u>
Board System and Administration.....	<u>\$110,876</u>	\$110,876
Maternity Leave.....	<u>40,000</u>	<u>40,000</u>
	<u>\$150,876</u>	<u>\$150,876</u>

The funds can only be spent upon approval of the Board of Directors.

8. CONTRACTUAL OBLIGATIONS:

Contractual obligations are comprised of the following:

	<u>2022</u>	<u>2021</u>
Contracted services - superintendent.....	<u>\$390,000</u>	\$ 66,000
Contracted services - janitorial.....	<u>279,690</u>	62,340
Office equipment.....	<u>18,827</u>	<u>24,620</u>
	<u>\$688,517</u>	<u>\$152,960</u>

The Society has entered into a 5 year agreement for the provision of superintendent services, expiring August 31, 2027.



**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

---

8. CONTRACTUAL OBLIGATIONS (continued):

The Society has entered into a one year agreement for the provision of janitorial services, expiring August 31, 2023 with an option to renew until August 31, 2025.

The Society has leased office equipment with a cost of \$1,448 per quarter, expiring September, 2025.

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.

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

	<u>Office Equipment</u>	<u>Contracted Services</u>	<u>Total</u>
2023 .....	\$ 5,793	\$171,230	\$177,023
2024 .....	5,793	171,230	177,023
2025 .....	5,793	171,230	177,023
2026 .....	1,448	78,000	79,448
Thereafter.....	<u>-</u>	<u>78,000</u>	<u>78,000</u>
Total .....	<u>\$18,827</u>	<u>\$669,690</u>	<u>\$688,517</u>

9. RELATED PARTY TRANSACTIONS:

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in division 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.

**NEW HORIZONS CHARTER SCHOOL SOCIETY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2022**

9. RELATED PARTY TRANSACTIONS (continued):

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Alberta Education</b>				
Accounts receivable / Accounts payable	\$ -	\$ 49,721	\$ -	\$ -
Expended deferred capital revenue	-	531,711	30,532	-
Grant revenue & expenses	-	-	3,980,716	-
ATRF payments made on behalf of district	-	-	227,541	-
<b>Other Alberta school jurisdictions</b>				
<b>Alberta Infrastructure</b>	13,272	12,141	13,357	1,869
Accounts receivable / Accounts payable	65,930	-	-	-
Spent deferred capital contributions	-	7,373,167	349,644	-
<b>Culture &amp; Tourism</b>				
Other GOA ministry (AHS and Ministry of Health - PPE)	-	39,632	1,352	-
Other GOA ministry (Alberta Distance Learning)	-	-	44,692	44,692
	-	-	1,938	-
<b>TOTAL 2021/2022</b>	<b>\$79,202</b>	<b>\$8,006,372</b>	<b>\$4,649,772</b>	<b>\$ 46,561</b>
<b>TOTAL 2020/2021</b>	<b>\$ 8,519</b>	<b>\$7,799,810</b>	<b>\$4,073,945</b>	<b>\$ 52,832</b>

10. ECONOMIC DEPENDENCE ON RELATED PARTY:

The Society's primary source of revenue is from the Alberta Government. The Society's ability to continue viable operations is dependent on continuing to receive this funding.