

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

New Horizons Charter School Society

Legal Name of School Jurisdiction

1000 Strathcona Drive, Sherwood Park, AB, T8A 3R6

Mailing Address

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Telephone & Fax 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 and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Ms. Jill Weiss

Name



Signature

SUPERINTENDENT

Mr. Donald Falk

Name



Signature

SECRETARY-TREASURER OR TREASURER

Mr. G. Fred deKleine

Name



Signature

NOVEMBER 23, 2016
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of New Horizons Charter School Society

We have audited the accompanying financial statements of New Horizons Charter School Society, which comprise the statement of financial position as at August 31, 2016, and the statements of operations, cash flow, changes in net debt, and change in remeasurement gains and losses, for the year ended August 31, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of New Horizons Charter School Society as at August 31, 2016, and the results of its operations and its cash flows for the year ended August 31, 2016, in accordance with Canadian Public Sector Accounting Standards.

Sherwood Park, Alberta
November 25, 2016

Vleeming Vleeming O'Neill LLP

Vleeming Vleeming O'Neill LLP

STATEMENT OF FINANCIAL POSITION
As at August 31, 2016 (in dollars)

		2016	2015
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 203,932	\$ 86,126
Accounts receivable (net after allowances)	(Note 3)	\$ 93,548	\$ 33,411
Portfolio investments	(Schedule 5)	\$ 541,344	\$ 611,220
Other financial assets		\$ -	\$ -
Total financial assets		\$ 838,824	\$ 730,757
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 34,864	\$ 81,276
Deferred revenue	(Note 5)	\$ 755,114	\$ 267,722
Employee future benefit liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 789,978	\$ 348,998
Net financial assets (debt)		\$ 48,846	\$ 381,759
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ -	\$ -
Construction in progress		\$ 387,956	\$ -
Buildings	\$ 567,343		
Less: Accumulated amortization	\$ (22,648)	\$ 544,695	\$ 554,616
Equipment	\$ 19,705		
Less: Accumulated amortization	\$ (9,224)	\$ 10,481	\$ 13,101
Vehicles	\$ -		
Less: Accumulated amortization	\$ -	\$ -	\$ -
Computer Equipment	\$ -		
Less: Accumulated amortization	\$ -	\$ -	\$ -
Total tangible capital assets		\$ 943,132	\$ 567,717
Prepaid expenses		\$ 4,701	\$ 9,006
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 947,833	\$ 576,723
Accumulated surplus	(Schedule 1; Note 6)	\$ 996,679	\$ 958,482
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 996,679	\$ 958,482
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 996,679	\$ 958,482
Contractual obligations	(Note 7)		
Contingent liabilities			

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2016 (in dollars)

	Budget 2016 (Note 11)	Actual 2016	Actual 2015
REVENUES			
Alberta Education	\$ 2,539,256	\$ 2,483,245	\$ 2,215,811
Other - Government of Alberta	\$ -	\$ -	\$ -
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ 4,673	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 56,720	\$ 89,312	\$ 84,913
Other sales and services	\$ 25,708	\$ 1,170	\$ 3,781
Investment income	\$ 4,502	\$ 3,667	\$ 7,636
Gifts and donations	\$ 12,000	\$ 21,429	\$ 23,100
Rental of facilities	\$ 11,629	\$ 18,213	\$ -
Fundraising	\$ 4,000	\$ 10,346	\$ 5,567
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 2,653,814	\$ 2,632,055	\$ 2,340,808
EXPENSES			
Instruction - ECS	\$ 125,295	\$ 119,019	\$ 115,418
Instruction - Grades 1 - 12	\$ 2,025,601	\$ 1,940,158	\$ 1,760,998
Plant operations and maintenance	\$ 238,420	\$ 253,522	\$ 275,995
Transportation	\$ 78,884	\$ 55,698	\$ 43,879
Board & system administration	\$ 176,477	\$ 211,155	\$ 172,579
External services	\$ 7,500	\$ 14,306	\$ 10,872
Total expenses	\$ 2,652,177	\$ 2,593,858	\$ 2,379,741
Operating surplus (deficit)	\$ 1,637	\$ 38,197	\$ (38,933)

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2016 (in dollars)

	2016	2015
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 38,197	\$ (38,933)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 25,268	\$ 60,664
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (15,298)	\$ (60,664)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (60,137)	\$ (13,906)
Prepays	\$ 4,305	\$ (1,831)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (46,412)	\$ 48,631
Deferred revenue (excluding EDCR)	\$ 114,734	\$ (1,141)
Employee future benefit liabilities	\$ -	\$ -
	\$ -	\$ -
Total cash flows from operating transactions	\$ 60,657	\$ (7,180)
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (12,727)	\$ (288,990)
Equipment	\$ -	\$ (13,100)
Vehicles	\$ -	\$ -
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
	\$ -	\$ -
Total cash flows from capital transactions	\$ (12,727)	\$ (302,090)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (107,839)	\$ (13,284)
Dispositions of portfolio investments	\$ 177,715	\$ 159,823
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
	\$ -	\$ -
Total cash flows from investing transactions	\$ 69,876	\$ 146,539
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 117,806	\$ (162,731)
Cash and cash equivalents, at beginning of year	\$ 86,126	\$ 248,857
Cash and cash equivalents, at end of year	\$ 203,932	\$ 86,126

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

Vleeming Vleeming O'Neill LLP

Accountants

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
 For the Year Ended August 31, 2016 (in dollars)

	Budget 2016	2016	2015
Operating surplus (deficit)	\$ -	\$ 38,197	\$ (38,933)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ -	\$ (400,683)	\$ 554,548
Amortization of tangible capital assets	\$ -	\$ 25,268	\$ 60,664
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ -	\$ (375,415)	\$ 615,212
Changes in:			
Prepaid expenses	\$ -	\$ 4,305	\$ (1,831)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ -	\$ (332,913)	\$ 574,448
Net financial assets (net debt) at beginning of year	\$ -	\$ 381,759	\$ (192,689)
Net financial assets (net debt) at end of year	\$ -	\$ 48,846	\$ 381,759

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2016 (in dollars)

	2016	2015
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
<u>Prior Period Adjustment (Explain)</u>	\$ -	\$ -
<u>Prior Period Adjustment (Explain)</u>	\$ -	\$ -
Unrealized gains (losses) attributable to:		
<u>Portfolio investments</u>	\$ -	\$ -
<u>Other</u>	\$ -	\$ -
Amounts reclassified to the statement of operations:		
<u>Portfolio investments</u>	\$ -	\$ -
<u>Other</u>	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2016 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED TOTAL OPERATING RESERVES	INTERNALLY RESTRICTED TOTAL CAPITAL RESERVES
Balance at August 31, 2015	\$ 958,482	\$ -	\$ 958,482	\$ 302,091	\$ -	\$ 227,335	\$ 319,239	\$ 109,817
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 958,482	\$ -	\$ 958,482	\$ 302,091	\$ -	\$ 227,335	\$ 319,239	\$ 109,817
Operating surplus (deficit)	\$ 38,197	\$ -	\$ 38,197	\$ -	\$ -	\$ 38,197	\$ -	\$ -
Board funded tangible capital asset additions								
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ (104,104)	\$ -	\$ 104,104	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized	\$ -	\$ -	\$ -	\$ (25,298)	\$ -	\$ 25,298	\$ -	\$ -
Debt principal repayments (unsupported)	\$ -	\$ -	\$ -	\$ 15,298	\$ -	\$ (15,298)	\$ -	\$ -
Additional capital debt or capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,189	\$ (89,189)	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (538)	\$ -	\$ 538
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 996,679	\$ -	\$ 996,679	\$ 188,017	\$ -	\$ 488,257	\$ 230,050	\$ 110,355

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2016 (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, 2015	\$ 40,000	\$ -	\$ 144,244	\$ 109,817	\$ 134,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 40,000	\$ -	\$ 144,244	\$ 109,817	\$ 134,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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												
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												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -	\$ -	\$ (71,871)	\$ -	\$ (17,318)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -	\$ -	\$ -	\$ 538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 40,000	\$ -	\$ 72,373	\$ 110,355	\$ 117,677	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2016 (in dollars)**

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2015	\$ 285,626	\$ -	\$ -	\$ -	\$ 285,625
Prior period adjustments	\$ (285,626)	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ 285,625
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: Elk Island Catholic School Division	\$ -			\$ 121,990	
Other sources:	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 387,956
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ -	\$ -	\$ -	\$ (116,831)	\$ 116,831
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments: Admin fee to Elk Island Catholic School Division	\$ -	\$ -	\$ -	\$ (5,159)	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 10,624
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ 4,674
Balance at August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 755,114
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)				\$ -	

Unexpended Deferred Capital Revenue

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.
- (B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
- (C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
- (D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2016 (in dollars)

	2016						2015	
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
REVENUES								
(1) Alberta Education	\$ 259,405	\$ 1,832,097	\$ 176,440	\$ 18,666	\$ 193,837	\$ 2,800	\$ 2,483,245	\$ 2,215,811
(2) Other - Government of Alberta	-	-	-	-	-	-	-	-
(3) Federal Government and First Nations	-	-	-	-	-	-	-	-
(4) Other Alberta school authorities	-	-	4,673	-	-	-	4,673	-
(5) Out of province authorities	-	-	-	-	-	-	-	-
(6) Alberta municipalities-special tax levies	-	-	-	-	-	-	-	-
(7) Property taxes	-	-	-	-	-	-	-	-
(8) Fees	\$ 3,810	\$ 85,502	-	-	-	-	89,312	\$ 84,913
(9) Other sales and services	-	\$ 510	-	-	-	660	1,170	\$ 3,781
(10) Investment income	-	\$ 3,129	\$ 538	-	-	-	3,667	\$ 7,636
(11) Gifts and donations	-	\$ 19,333	-	-	-	2,096	21,429	\$ 23,100
(12) Rental of facilities	-	-	-	-	-	18,213	18,213	\$ -
(13) Fundraising	-	-	-	-	-	10,346	10,346	\$ 5,567
(14) Gains on disposal of tangible capital assets	-	-	-	-	-	-	-	-
(15) Other revenue	-	-	-	-	-	-	-	-
(16) TOTAL REVENUES	\$ 263,215	\$ 1,940,571	\$ 181,651	\$ 18,666	\$ 193,837	\$ 34,115	\$ 2,632,055	\$ 2,340,608
EXPENSES								
(17) Certificated salaries	\$ 78,264	\$ 1,202,641	-	-	-	-	1,280,905	\$ 1,126,448
(18) Certificated benefits	\$ 7,462	\$ 256,739	-	-	-	-	264,201	\$ 226,912
(19) Non-certificated salaries and wages	\$ 28,047	\$ 156,713	-	-	-	-	184,760	\$ 197,539
(20) Non-certificated benefits	\$ 3,736	\$ 22,698	-	-	-	-	26,434	\$ 28,747
(21) SUB - TOTAL	\$ 117,509	\$ 1,638,791	-	-	-	-	1,756,300	\$ 1,579,646
(22) Services, contracts and supplies	\$ 1,510	\$ 297,754	\$ 230,874	\$ 55,698	\$ 208,350	\$ 14,306	\$ 808,492	\$ 735,999
(23) Amortization of supported tangible capital assets	-	-	\$ 15,298	-	-	-	15,298	\$ 60,664
(24) Amortization of unsupported tangible capital assets	-	\$ 2,620	\$ 7,350	-	-	-	9,970	\$ -
(25) Supported interest on capital debt	-	-	-	-	-	-	-	-
(26) Unsupported interest on capital debt	-	-	-	-	-	-	-	-
(27) Other interest and finance charges	-	993	-	-	-	-	-	-
(28) Losses on disposal of tangible capital assets	-	-	-	-	2,805	-	3,798	\$ 3,532
(29) Other expense	-	-	-	-	-	-	-	-
(30) TOTAL EXPENSES	\$ 119,019	\$ 1,940,158	\$ 253,522	\$ 55,698	\$ 211,155	\$ 14,306	\$ 2,593,858	\$ 2,375,741
(31) OPERATING SURPLUS (DEFICIT)	\$ 144,196	\$ 413	\$ (71,871)	\$ (37,032)	\$ (17,318)	\$ 19,809	\$ 38,197	\$ (38,933)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2016 (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	2016 TOTAL Operations and Maintenance	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Uncertificated benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total Remuneration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and services	\$ 78,496	\$ 81,817	\$ 6,469	\$ -	\$ 6,165	\$ -	\$ -	\$ 172,947	\$ 157,337
Electricity									
Natural gas/heating fuel			\$ 21,597					\$ 21,597	\$ 19,650
Sewer and water			\$ 15,032					\$ 15,032	\$ 14,742
Telecommunications			\$ 4,069					\$ 4,069	\$ 2,829
Insurance			\$ 643					\$ 643	\$ 1,249
ASAP maintenance & renewal payments					\$ 12,085			\$ 12,085	\$ 13,525
Amortization of tangible capital assets									
Supported									
Unsupported						\$ 7,350	\$ 15,298	\$ 15,298	\$ 60,663
Total Amortization						\$ 7,350	\$ 15,298	\$ 7,350	\$ -
Interest on capital debt								\$ 22,648	\$ 60,663
Supported									
Unsupported									
Lease payments for facilities				\$ 4,501				\$ -	\$ -
Other interest charges								\$ 4,501	\$ 6,000
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 78,496	\$ 81,817	\$ 47,810	\$ 4,501	\$ 18,250	\$ 7,350	\$ 15,298	\$ 253,522	\$ 275,985
SQUARE METRES									
School buildings								4,055.0	4,055.0
Non school buildings								0.0	0.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocation & Lease Payments: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Unsupported Amortization & Other Expenses: All expenses related to unsupported capital assets amortization and interest on unsupported capital debt.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2016 (in dollars)**

Cash & Cash Equivalents

	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 7	\$ 203,925	\$ 86,128
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 7	\$ 203,925	\$ 86,128

See Note 3 for additional detail.

Out of Balance

Portfolio Investments

	2016				2015
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	0.64%	541,344	541,344	541,344	611,220
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	0.64%	\$ 541,344	\$ 541,344	\$ 541,344	\$ 611,220

See Note 5 for additional detail.

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

	2016	2015
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 CAPITAL ASSETS
for the Year Ended August 31, 2016 (in dollars)

	2016						2015	
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total
Estimated useful life								
Historical cost								
Beginning of year	\$ -	\$ -	\$ 554,616	\$ 19,705	\$ -	\$ -	\$ 574,321	\$ 1,541,821
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	387,956	12,727	-	-	-	400,683	567,717
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	-
	\$ -	\$ 387,956	\$ 567,343	\$ 19,705	\$ -	\$ -	\$ 975,004	\$ 574,321
Accumulated amortization								
Beginning of year	\$ -	\$ -	-	\$ 6,604	\$ -	\$ -	\$ 6,604	\$ 358,892
Prior period adjustments	-	-	-	-	-	-	-	60,864
Amortization	-	-	22,648	2,620	-	-	25,268	-
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ 22,648	\$ 9,224	\$ -	\$ -	\$ 31,872	\$ (412,952)
Net Book Value at August 31, 2016	\$ -	\$ 387,956	\$ 544,695	\$ 10,481	\$ -	\$ -	\$ 943,132	\$ 6,604
Net Book Value at August 31, 2015	\$ -	\$ -	\$ 554,616	\$ 13,101	\$ -	\$ -	\$ -	\$ 567,717

	2016	2015
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

SCHEDULE 7

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2016 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Chair: Weiss, Jill	1.00	\$0	\$0	\$0			\$0	\$0
Director: Auriatt, Denise	0.80	\$0	\$0	\$0			\$0	\$0
Director: Bosch, Ryan	1.00	\$0	\$0	\$0			\$0	\$0
Director: Karbonik, Carole	1.00	\$0	\$0	\$0			\$0	\$0
Director: McLean, Dave	0.20	\$0	\$0	\$0			\$0	\$0
Director: Pasamko, Nicole	0.80	\$0	\$0	\$0			\$0	\$0
Director: Quile, Vicky	1.00	\$0	\$0	\$0			\$0	\$0
Director: Thomson, Kimberly	0.20	\$0	\$0	\$0			\$0	\$764
Director: Watson, William	0.20	\$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	6.20	\$0	\$0	\$0			\$0	\$764
Don Falk, Superintendent	0.40	\$83,480	\$0	\$0	\$0	\$0	\$0	\$83,480
G. (fred) De Kleine, Secretary-Treasurer	0.60	\$76,071	\$0	\$0	\$0	\$0	\$0	\$76,071
	-	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	14.38	\$1,280,905	\$264,201	\$0	\$0	\$0	\$0	\$0
Non-certificated - other	6.13	\$184,780	\$26,434	\$0	\$0	\$0	\$0	\$0
TOTALS	27.71	\$1,625,215	\$290,635	\$0	\$0	\$0	\$0	\$160,315

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

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. Basis 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. 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.

C. 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.

Detailed information regarding portfolio investments is disclosed in Note 4.

D. 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.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

2. Significant Accounting Policies (continued)

D. 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 Expended Deferred Capital Revenue.

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

Leases that, from the point of view of the lessee, 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.

Buildings includes building, land and site improvements

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

Buildings	4%
Equipment and Furnishings	20%

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

E. Deferred Revenue

Deferred revenue 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 expended capital expenditures. Expended Deferred Capital Revenue represent 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.

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
August 31, 2016

2. Significant Accounting Policies (continued)

F. 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.

G. 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.

H. 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.

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 Section PS 3200. Such liabilities are recorded as deferred revenue.

I. Expenses

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

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

2. Significant Accounting Policies (continued)

I. Expenses (continued)

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.

J. Pensions

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, 2016, the amount contributed by the Government was \$159,276 (2015 - \$133,544).

K. 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.

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.

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

2. Significant Accounting Policies (continued)

L. 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.

All financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, 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.

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit, and leases office equipment from various creditors for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from accounts payable through the preparation and monitoring of budgets, and maintaining Guaranteed Investment Certificates

M. Measurement Uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. 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.

3. Accounts and Grants Receivable

	2016	2015
Federal Government - Goods and Services Tax Recoverable	\$10,557	\$18,947
Government of Alberta - Alberta Education	7,000	7,000
Elk Island Catholic Separate Regional Division No. 41	71,846	0
Interest Receivable	1,694	3,114
Other	2,451	4,350
	<u>\$93,548</u>	<u>\$33,411</u>

NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS

August 31, 2016

4. Accounts Payable and Accrued Liabilities

	2016	2015
Trade Payables	\$34,671	\$65,751
Elk Island Catholic Separate Regional Division No. 41	0	12,047
Salaries & Benefit Costs	193	3,478
	\$34,864	\$81,276

5. Deferred Revenue

	2016				
	Opening Balance	Funds Received	Funds Expended	Funds Returned	Closing Balance
School Generated Funds (Note 9)	\$2,095	\$0	\$2,095	\$0	\$0
Prepaid School Fees	0	0	0	0	0
	2,095	0	2,095	0	0
Expended Deferred Capital Revenue	265,627	504,785	15,298	0	755,114
	\$267,722	\$504,785	\$17,393	\$0	\$755,114

	2015				
	Opening Balance	Funds Received	Funds Expended	Funds Returned	Closing Balance
School Generated Funds (Note 11)	\$2,095	\$0	\$0	\$0	\$2,095
Prepaid School Fees	1,142	0	1,142	0	0
	3,237	0	1,142	0	2,095
Expended Deferred Capital Revenue	1,182,929	265,627	60,663	1,122,266	265,627
	\$1,186,166	\$265,627	\$61,805	\$1,122,266	\$267,722

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
August 31, 2016

6. Accumulated Surplus

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

	2016	2015
Operating Reserves		
Plant, Operations and Maintenance	\$72,373	\$144,244
Board System and Administration	117,677	134,995
Maternity Leave	40,000	40,000
	230,050	319,239
Unrestricted Surplus	468,257	227,335
Invested in Tangible Capital Assets	188,017	302,091
Capital Reserve	110,355	109,817
Accumulated Surplus	\$996,679	\$958,482

Accumulated surplus from operations includes school generated funds of \$6,115 (2014 - \$9,989). 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 is as follows:

	2016	2015
Accumulated Surplus from Operations	\$996,679	\$958,482
School Generated Funds included in Accumulated Surplus (Note 10)	(6,115)	(9,791)
Adjusted Accumulated Surplus from Operations	\$990,564	\$948,691

7. Contractual Obligations

	2016	2015
Contracted Services	\$82,332	\$164,314
Office Equipment	19,274	24,058
Building Projects	0	0
	\$101,606	\$188,372

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

The Society has entered into a 5 year agreement for the provision of contracted superintendent services, expiring June 30, 2017. The Society has also entered into a 2 year agreement for the provision of building operations services expiring June 30, 2017.

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
 August 31, 2016

7. Contractual Obligations (continued)

The Society has entered into a rental agreement with Elk Island Catholic Separate Regional Division No 41. regarding the rental of a school, commencing April 1, 2016. This agreement will renew on the renewal of the Society's charter, and continue until such time that the Society's Charter expires. 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:

	Office Equipment	Contracted Services	Total
2017	\$5,028	\$82,332	\$87,360
2018	5,028	0	5,028
2019	5,028	0	5,028
2020	4,190	0	4,190
	\$19,274	\$82,332	\$101,606

8. School Generated Funds

	Deferred Revenue	Accumulated Surplus	2016	2015
Balance, Beginning of Year	\$2,095	\$9,989	\$12,084	\$11,886
Gross Receipts:				
Fees	0	15,728	15,728	17,909
Other Sales and Services	0	660	660	3,173
Fundraising	0	10,345	10,345	5,567
Total Gross Receipts	0	26,733	26,733	26,649
Expenditures:				
Total Direct Costs Including Cost of Goods Sold to Raise Funds	0	1,727	1,727	2,243
Uses of Funds	2,095	28,880	30,975	24,208
Total Expenditures	2,095	30,607	32,702	26,451
Balance, End of Year	\$0	\$6,115	\$6,115	\$12,084

NEW HORIZONS CHARTER SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
 August 31, 2016

9. Related Party Transactions

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	\$7,000	\$0	\$2,472,621	\$0
Unexpended Deferred Capital				
Revenue	0	0	10,625	0
Other Alberta School Divisions				
Edmonton School Division No. 7	0	0	0	13,732
Elk Island Catholic Separate Regional Division No. 41	71,846	193	4,673	39,228
Total 2015/2016	\$78,846	\$193	\$2,487,919	\$52,960
Total 2014/2015	\$7,000	\$15,525	\$2,215,810	\$128,152

During the year, the Society transferred Buildings with a net book value of \$1,122,265 to Elk Island Public Schools Regional Division No. 14. This transfer has been recorded net of Expended Deferred Capital Allocations of \$1,122,265.

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.

11. Budgeted Amounts

The budget was prepared by the Society and approved by the Board of Directors on June 24, 2015.

15. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the 2016 presentation.

SCHEDULE 8

School Jurisdiction Code: 6015

UNAUDITED SCHEDULE OF FEE REVENUES
for the Year Ending August 31, 2016 (in dollars)

	Actual 2016	Actual 2015
FEES		
Transportation fees	\$0	\$0
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$27,853	\$25,373
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$5,744	\$2,212
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$0	\$0
Extracurricular fees (sports teams and clubs)	\$0	\$0
Field trips (related to curriculum)	\$37,406	\$41,044
Lunch supervision fees (Mandatory)	\$18,309	\$16,284
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$89,312	\$84,913

*PLEASE DO NOT USE "SCHOOL GENERATED FUNDS" AS A CATEGORY

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2016	Actual 2015
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$1,170	\$3,781
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
TOTAL	\$1,170	\$3,781

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING
for the Year Ended August 31, 2016 (in dollars)

	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program					
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ -	\$ 22,256	\$ -	\$ 13,189	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ 22,256	\$ -	\$ 13,189	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ 27,527	\$ -	\$ 1,604	
Instructional non-certificated salaries & benefits	\$ -	\$ 5,149	\$ -	\$ 1,123	
SUB TOTAL	\$ -	\$ 32,676	\$ -	\$ 2,727	
Supplies, contracts and services	\$ -	\$ -	\$ -	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ 11,879	
	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ -	\$ 32,676	\$ -	\$ 14,606	
NET FUNDING SURPLUS (SHORTFALL)	\$ -	\$ (10,420)	\$ -	\$ (1,417)	

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES
for the Year Ended August 31, 2016 (in dollars)

EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs				TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL	
Office of the superintendent	\$ -	\$ 75,081	\$ -	\$ 75,081	\$ -	\$ -	\$ -	\$ 75,081	
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Business administration	\$ -	\$ 81,720	\$ -	\$ 81,720	\$ -	\$ -	\$ -	\$ 81,720	
Board governance (Board of Trustees)	\$ -	\$ 3,432	\$ -	\$ 3,432	\$ -	\$ -	\$ -	\$ 3,432	
Information technology	\$ -	\$ 1,565	\$ -	\$ 1,565	\$ -	\$ -	\$ -	\$ 1,565	
Human resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Central purchasing, communications, marketing	\$ -	\$ 9,092	\$ -	\$ 9,092	\$ -	\$ -	\$ -	\$ 9,092	
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administration - insurance	\$ -	\$ -	\$ 7,460	\$ 7,460	\$ -	\$ -	\$ -	\$ 7,460	
Administration - amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administration - other (admin building, interest)	\$ -	\$ -	\$ 2,805	\$ 2,805	\$ -	\$ -	\$ -	\$ 2,805	
Administrative & clerical fee	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ -	\$ 170,890	\$ 40,265	\$ 211,155	\$ -	\$ -	\$ -	\$ 211,155	

BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)
2015/2016 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations) \$2,593,858

Enter Number of Net Enrolled Students: 250
 "C" if Charter School C

STEP 1
Calculation of maximum expense limit percentage for Board and System Administration expenses
 If "Total Net Enrolled Students" are 6,000 and over = 3.6%
 If "Total Net Enrolled Students" are 2,000 and less = 5.4%
 The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).

STEP 2
A. Calculate maximum expense limit amounts for Board and System Administration expenses
 Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES \$140,068

B. Considerations for Charter Schools and Small School Boards:
 If charter schools and small school boards,
 The amount of Small Board Administration funding (*Funding Manual* Section 1.13)
2015/2016 MAXIMUM EXPENSE LIMIT (the greater of A or B above)
\$193,837

Actual Board & System Administration from Line 30 of "Schedule of Program Operations"
(Board & System Administration Column)
\$211,155
Amount Overspent
\$17,318

