

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**NEW HORIZONS CHARTER SCHOOL SOCIETY**

Legal Name of School Jurisdiction

**53145 RR 222, ARDROSSAN, ALBERTA T8E 2M8**

Mailing Address

**PHONE: (780) 922-8087 FAX: (780) 922-8784**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of <sup>NEW HORIZONS CHARTER SCHOOL SOCIETY</sup> 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 generally accepted accounting principles 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 Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

**BOARD CHAIR**

**Hanna Sieben**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**W. JAMES RIGBY**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**G. (FRED) DE KLEINE**

Name

**"ORIGINAL SIGNED"**

Signature

**17-Nov-10**

Board-approved Release Date

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## AUDITOR'S REPORT

To the Board of Directors of  
**NEW HORIZONS CHARTER SCHOOL SOCIETY,**

We have audited the statement of financial position of the New Horizons Charter School Society as at August 31, 2010, and the statement of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material aspects, the financial position of the Society as at August 31, 2010 and the results of its operations, changes in cash flows and net assets for the year then ended, in accordance with Canadian generally accepted accounting principles.

Sherwood Park, Alberta  
November 11, 2010

*Vleeming Vleeming O'Neill LLP*  
Vleeming Vleeming O'Neill LLP

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 3)	\$700,012	\$771,507
Accounts receivable (net after allowances) (Note 4)	\$10,880	\$14,663
Prepaid expenses	\$23,749	\$16,980
Other current assets	\$0	\$0
<b>Total current assets</b>	<b>\$734,641</b>	<b>\$803,150</b>
School generated assets	\$16,016	\$11,482
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 6)		
Land	\$0	\$0
Construction in Progress	\$0	\$0
Buildings	\$1,516,575	
Less: accumulated amortization	(\$90,994)	\$1,425,581
Equipment	\$25,246	
Less: accumulated amortization	(\$7,574)	\$17,672
Vehicles	\$0	
Less: accumulated amortization	\$0	\$0
<b>Total capital assets</b>	<b>\$1,443,253</b>	<b>\$1,508,965</b>
<b>TOTAL ASSETS</b>	<b>\$2,193,910</b>	<b>\$2,323,597</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$28,180	\$18,213
Deferred revenue (Note 8)	\$16,590	\$22,074
Deferred capital allocations	\$0	\$0
Current portion of long term debt	\$0	\$0
<b>Total current liabilities</b>	<b>\$44,770</b>	<b>\$40,287</b>
School generated liabilities	\$16,016	\$11,482
Trust liabilities	\$0	\$0
Employee future benefit liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 9)	\$1,425,580	\$1,486,243
<b>Total long term liabilities</b>	<b>\$1,441,596</b>	<b>\$1,497,725</b>
<b>TOTAL LIABILITIES</b>	<b>\$1,486,366</b>	<b>\$1,538,012</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$368,904	\$452,212
Operating Reserves	\$221,069	\$212,885
Accumulated Operating Surplus (Deficit)	\$589,973	\$665,097
Investment in capital assets	\$17,673	\$22,722
Capital Reserves	\$99,898	\$97,766
Total Capital Funds	\$117,571	\$120,488
<b>Total net assets</b>	<b>\$707,544</b>	<b>\$785,585</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$2,193,910</b>	<b>\$2,323,597</b>

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2010**  
(in dollars)

	Actual 2010	Budget 2010 (Note 15)	Actual 2009
<b>REVENUES</b>			
Government of Alberta (Note 13)	\$1,566,980	\$1,571,951	\$1,665,247
Federal Government and First Nations	\$825	\$800	\$874
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$17,663	\$17,636	\$17,917
Transportation fees	\$0	\$0	\$0
Other sales and services	\$13,843	\$12,234	\$14,455
Investment income	\$3,527	\$1,250	\$6,880
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$0	\$0	\$0
Gross school generated funds	\$18,705	\$1,800	\$10,409
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$60,663	\$0	\$30,332
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	\$1,682,206	\$1,605,671	\$1,746,114
<b>EXPENSES</b>			
Certificated salaries (Note 14)	\$890,797	\$867,675	\$778,315
Certificated benefits (Note 14)	\$81,866	\$77,554	\$78,382
Non-certificated salaries and wages (Note 14)	\$120,203	\$136,520	\$93,237
Non-certificated benefits (Note 14)	\$10,456	\$11,529	\$8,640
Services, contracts and supplies	\$571,623	\$558,603	\$640,026
Gross school generated funds	\$18,705	\$0	\$10,409
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$60,663	\$0	\$30,332
Unsupported	\$5,049	\$0	\$2,524
<b>Total Amortization of capital assets</b>	\$65,712	\$0	\$32,856
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	\$0	\$0	\$0
Other interest and charges	\$885	\$1,501	\$933
Losses on disposal of capital assets	\$0	\$0	\$0
<b>Other expense</b>	\$0	\$0	\$0
<b>Total Expenses</b>	\$1,760,247	\$1,653,382	\$1,642,798
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	(\$78,041)	(\$47,711)	\$103,316
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(\$78,041)	(\$47,711)	\$103,316

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$78,041)	\$103,316
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$60,663)	(\$30,332)
Total amortization expense	\$65,712	\$32,856
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$3,783	\$3,008
Prepays and other current assets	(\$6,769)	(\$4,225)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$9,967	(\$28,979)
Deferred revenue	(\$5,484)	(\$39,926)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>(\$71,495)</b>	<b>\$35,718</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	(\$25,246)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>\$0</b>	<b>(\$25,246)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Net cash flows from during the year</b>	<b>(\$71,495)</b>	<b>\$10,472</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$771,507</b>	<b>\$761,035</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$700,012</b>	<b>\$771,507</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

School Jurisdiction Code: 6015

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	(6) INTERNALLY RESTRICTED NET ASSETS											
						(7) School & Instruction Related		(8) Operations & Maintenance		(9) Board & System Admin.		(10) Transportation		(11) External Services			
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves		
<b>Balance at August 31, 2009</b>	\$785,585	\$22,722	\$452,212	\$212,885	\$97,766	\$40,000	\$0	\$89,624	\$97,766	\$63,988	\$0	\$19,273	\$0	\$0	\$0		
Prior period adjustments (describe)																	
	\$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	\$0	\$0	\$0		
<b>Adjusted Balance, Aug 31, 2009</b>	\$785,585	\$22,722	\$452,212	\$212,885	\$97,766	\$40,000	\$0	\$89,624	\$97,766	\$63,988	\$0	\$19,273	\$0	\$0	\$0		
Excess (deficiency) of revenues over expenses	(\$78,041)		(\$78,041)														
Board funded capital additions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Amortization of capital assets		(\$65,712)	\$65,712														
Amortization of capital allocations		\$60,663	(\$60,663)														
Debt principal repayments (unsupported)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net transfers to operating reserves			(\$27,457)	\$27,457				\$8,816		\$18,641		\$0		\$0			
Net transfers from operating reserves			\$19,273	(\$19,273)				\$0		\$0		(\$19,273)		\$0			
Net transfers to capital reserves			(\$2,132)		\$2,132				\$2,132								
Net transfers from capital reserves Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>Balance at August 31, 2010</b>	\$707,544	\$17,673	\$368,904	\$221,069	\$99,898	\$40,000	\$0	\$98,440	\$99,898	\$82,629	\$0	\$0	\$0	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2010  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2009</b>	\$0	\$1,486,243
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$0	\$1,486,243
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$0	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$0
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$0
<b>Expended capital allocations - current year</b>	\$0	\$0
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$60,663
<b>Balance at August 31, 2010</b>	\$0	\$1,425,580

\* Infrastructure Maintenance Renewal/Infrastructure Maintenance Program allocations are excluded from this Statement, since those contributions are not externally restricted to capital.

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

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### 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 Regulation 77/2003. 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 Canadian generally accepted accounting principles (GAAP). 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 judgement. Actual results could differ from those estimates and approximations. 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. Revenue Recognition

Instruction and support funding 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.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

#### B. School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained, and expended at the school level (eg yearbook sales, graduation fees, field trip fees etc.)

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

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### 2. Significant Accounting Policy (Continued)

#### C. Capital Assets

Capital assets are recorded at cost, and 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 over the remaining term of the lease.

Capital assets with costs in excess of \$5,000 are capitalized in the current year. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

#### D. Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

#### E. Pensions

Pension cost 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 Teacher 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.

#### F. Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

#### G. Contributed Services

Volunteers contribute a considerable number of hours per year to the Society to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

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### 2. Significant Accounting Policy (Continued)

#### H. Financial Instruments

These consist of cash and temporary investments, accounts and grants receivable and accounts payable and accrued liabilities. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 (2) (d) of the School Act.

#### I. Operating and Capital Reserves

Reserves are established at the discretion of the Board of Directors of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

#### J. Investments

Held for trading investments included cash and temporary investments, and are recognized in the balance sheet at fair value. The fair values of the recognized investments are determined based on the available market information. Realized investment income and unrealized gains and losses are reported in the Statement of Revenues and Expenses.

Loans and receivables is comprised of accounts and grants receivable. They are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method, less any provision for impairment. Transaction costs related to loans and receivables are expensed as incurred.

Other financial liabilities includes financial liabilities other than those classified as held-for-trading and is comprised of accounts payable and accrued liabilities. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to other financial liabilities are expensed as incurred.

#### K. Capital Management

The Society's objective in managing its net assets is to remain a sustainable operation while fulfilling its overall mandate. It achieves its objective by strong day-to-day management of its cash flows, and by regularly monitoring revenues and expenditures against operating and capital budgets.

The Society is not subject to any internally imposed capital restrictions.

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

<b>3. Cash and Temporary Investments</b>	<b>Average Effective Yield</b>	<b>2010</b>	<b>2009</b>
Cash and cash equivalents		<b>\$89,316</b>	\$164,273
Guaranteed Investment Certificates	<b>0.17%</b>	<b>610,696</b>	607,234
	<b>0.17%</b>	<b>\$700,012</b>	<b>\$771,507</b>

<b>4. Accounts and Grants Receivable</b>	<b>2010</b>	<b>2009</b>
Goods and Services Tax	<b>\$7,650</b>	\$6,693
Interest Receivable	<b>1,699</b>	2,137
Other	<b>1,526</b>	0
Alberta Education	<b>5</b>	0
Alberta Infrastructure	<b>0</b>	5,833
	<b>\$10,880</b>	<b>\$14,663</b>

<b>5. Net School Generated Assets</b>	<b>2010</b>	<b>2009</b>
Balance, Beginning of Year	<b>\$11,482</b>	\$10,726
Plus: Sources of School Generated Funds	<b>23,239</b>	11,165
	<b>34,721</b>	21,891
Less: Application of School Generated Funds	<b>18,705</b>	10,409
Balance, End of Year	<b>\$16,016</b>	\$11,482

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

### 6. Capital Assets

	Opening Balance	Acquisitions	Disposals	Closing Balance
Cost				
Building	\$1,516,575	\$0	\$0	<b>\$1,516,575</b>
Leasehold Improvements	18,642	0	0	<b>18,642</b>
Equipment	6,604	0	0	<b>6,604</b>
	\$1,541,821	\$0	\$0	<b>\$1,541,821</b>

	Opening Balance	Disposals	Amortization Expense	Closing Balance
Accumulated Amortization				
Building	\$30,332	\$0	\$60,662	<b>\$90,994</b>
Leasehold Improvements	1,864	0	3,729	<b>5,593</b>
Equipment	660	0	1,321	<b>1,981</b>
	\$32,856	\$0	\$65,712	<b>\$98,568</b>

	2010	2009
Net Book Value		
Building	<b>\$1,425,581</b>	\$1,486,243
Leasehold Improvements	<b>13,049</b>	16,778
Equipment	<b>4,623</b>	5,944
	<b>\$1,443,253</b>	\$1,508,965

### 7. Accounts Payable and Accrued Liabilities

	2010	2009
Trade Payables	<b>\$23,385</b>	\$13,457
Health Spending Account	<b>4,795</b>	4,382
Workers Compensation	<b>0</b>	374
	<b>\$28,180</b>	\$18,213

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

### 8. Deferred Revenue

	<b>Opening Balance</b>	<b>Funds received</b>	<b>Funds expended</b>	<b>Closing Balance</b>
Alberta Education				
Class Size Initiative	\$12,845	\$75,102	\$80,961	<b>\$6,986</b>
Alberta Initiative for School Improvement	9,229	23,001	22,901	<b>9,329</b>
SuperNet Funding	0	6,042	6,042	<b>0</b>
Prepaid School Fees	0	275	0	<b>275</b>
	<b>\$22,074</b>	<b>\$104,420</b>	<b>\$109,904</b>	<b>\$16,590</b>

### 9. Unamortized Capital Allocations

Unamortized capital allocations 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. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended.

### 10. Operating Lease Commitment

The Society has entered into a building lease agreement with a related party. The lease agreement includes an annual adjustment based on changes in Alberta Education funding. Base rent of \$35,495 (2009 - \$33,917) annually, is paid quarterly, plus operating costs. The lease expires August 31, 2013 and includes two renewal options of 5 years each.

The Society has leased a photocopier. The photocopier is leased at \$1,177 per quarter, expires June 27, 2015, with the final payment due on April 2, 2015.

The future minimum annual payments as of August 31, 2010 under these lease commitments are:

<b>2011</b>	<b>\$40,277</b>
<b>2012</b>	<b>\$40,277</b>
<b>2013</b>	<b>\$40,277</b>
<b>2014</b>	<b>\$4,784</b>
<b>2015</b>	<b>\$4,784</b>

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

### 11. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Directors for future operating and capital expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	<b>2010</b>	<b>2009</b>
Operating Reserves		
Plant, Operations and Maintenance	<b>\$98,440</b>	\$89,624
Maternity Leave	<b>40,000</b>	40,000
Board System and Administration	<b>82,629</b>	63,988
Transportation	<b>0</b>	19,273
	<b>\$221,069</b>	\$212,885
Capital Reserve		
Building - Unsupported	<b>\$99,898</b>	\$97,766

### 12. 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.

### 13. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

The Society has entered into a lease agreement with a related party as described in note 10. Rent of \$35,495 (2009 - \$33,917) and operating maintenance of \$96,004 (2009 - \$91,915) has been paid to Elk Island School Division, an entity controlled by the Government of Alberta.

The Society has also entered into an agreement with Elk Island School Division regarding student transportation. Transportation costs of \$98,663 (2009 - \$62,146) have been paid. These transactions are in the normal course of operations, and are recorded at the exchange amount, which is the amount agreed to by the parties.

# NEW HORIZONS CHARTER SCHOOL SOCIETY

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2010

### 13. Related Party Transactions (Continued)

	2010	2009
Accounts Receivable		
Government of Alberta - Alberta Education	\$5	\$0
Government of Alberta - Alberta Infrastructure	0	5,833
	\$5	\$5,833
Revenue		
Government of Alberta - Alberta Education	\$1,566,980	\$1,606,920
Government of Alberta - Alberta Infrastructure	0	58,327
	\$1,566,980	\$1,665,247

### 14. Remuneration and Monetary Incentives

The Society has paid or accrued expenses for the year ended August 31, 2010 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
<b>Board Members:</b>							
Chair: Vanwieren, Nicole	1.00	\$0	\$0	\$0	\$0	\$0	\$564
Director: Belcourt, Karen	1.00	0	0	0	0	0	0
Director: Luthra, Mahoj	1.00	0	0	0	0	0	0
Director: Sieben, Hanna	1.00	0	0	0	0	0	0
Director: Zens, Jody	1.00	0	0	0	0	0	0
<b>Subtotal</b>	5.00	0	0	0	0	0	564
Superintendent: Rigby, James	0.40	71,897	0	0	0	0	1,295
Secretary/Treasurer: de Kleine, G. (Fred)	0.60	66,817	0	0	0	0	0
Certificated Teachers	11.29	890,797	81,866	0	0	0	0
Non-certificated - Other	4.73	120,203	10,456	0	0	0	0
<b>Total</b>	22.02	\$1,149,714	\$92,322	\$0	\$0	\$0	\$1,859

### 15. Budgeted Amounts

The budget was prepared by the Society's management, and approved by the Board of Directors on November 24, 2009. It is presented for information purposes only and has not been audited.

# NEW HORIZONS CHARTER SCHOOL SOCIETY

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2010

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## **16. Comparative Figures**

The actual 2009 comparative figures have been reclassified where necessary to conform to actual 2010 presentation.

## UNAUDITED SCHEDULES

TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010  
[School Act, Section 276]

### NEW HORIZONS CHARTER SCHOOL SOCIETY

Legal Name of School Jurisdiction

53145 RR 222, ARDROSSAN, AB T8E 2M8

Mailing Address

(780) 922-8987 & (780) 922-8784

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

G. (Fred) de Kleine  
Name

"ORIGINAL SIGNED"  
Signature

17-Nov-10

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: Cindy.Wang@gov.ab.ca  
PHONE: (780) 644-5672 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 6015

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$114,599	\$1,038,968	\$164,149	\$59,228	\$190,036	\$0	\$1,566,980
(2) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Federal Government and First Nations	\$0	\$825	\$0	\$0	\$0	\$0	\$825
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$1,050	\$16,613					\$17,663
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$13,843	\$0	\$0	\$0	\$0	\$13,843
(11) Investment income	\$0	\$1,395	\$2,132	\$0	\$0	\$0	\$3,527
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Gross school generated funds	\$0	\$18,705	\$0	\$0	\$0	\$0	\$18,705
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$60,663	\$0	\$0	\$0	\$60,663
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$115,649	\$1,090,349	\$226,944	\$59,228	\$190,036	\$0	\$1,682,206
<b>EXPENSES</b>							
(19) Certificated salaries	\$28,132	\$862,665				\$0	\$890,797
(20) Certificated benefits	\$4,686	\$77,180				\$0	\$81,866
(21) Non-certificated salaries and wages	\$0	\$120,203	\$0	\$0	\$0	\$0	\$120,203
(22) Non-certificated benefits	\$0	\$10,456	\$0	\$0	\$0	\$0	\$10,456
(23) SUB - TOTAL	\$32,818	\$1,070,504	\$0	\$0	\$0	\$0	\$1,103,322
(24) Services, contracts and supplies	\$2,636	\$141,253	\$155,333	\$101,891	\$170,510	\$0	\$571,623
(25) Gross school generated funds	\$0	\$18,705					\$18,705
(26) Amortization of capital assets	\$0	\$5,049	\$60,663	\$0	\$0	\$0	\$65,712
(27) Interest and charges	\$0	\$0	\$0	\$0	\$885	\$0	\$885
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$35,454	\$1,235,511	\$215,996	\$101,891	\$171,395	\$0	\$1,760,247
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$80,195	(\$145,162)	\$10,948	(\$42,663)	\$18,641	\$0	(\$78,041)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$11,482
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$0	\$0	\$0
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$0	\$0	\$0
Other (describe):   Extra Curricular, Student Union, Field Trips	\$23,239	\$0	\$23,239
<b>Net Additions to SGF</b>	\$23,239	\$0	\$23,239
<b>Net SGF Available</b>			\$34,721
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$16,409
Field Trips			\$2,279
Other (describe):   Bank Charges			\$17
<b>Total Uses of Net SGF</b> (Note 2)			\$18,705
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$16,016

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**Notes:**

- 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C  
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2009-2010**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Uncertificated benefits	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Sub-total Remuneration	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Supplies and services	\$546	\$134,994	\$0	\$0	\$0		\$135,540		\$135,540
Electricity			\$0	\$0			\$0		\$0
Natural Gas/Heating Fuel			\$0	\$0			\$0		\$0
Sewer and Water			\$765				\$765		\$765
Telecommunications			\$0				\$0		\$0
Insurance					\$19,028		\$19,028		\$19,028
Amortization of capital assets									
Supported								\$60,663	\$60,663
Unsupported								\$60,663	\$60,663
Total Amortization									
Interest on capital debt									
Supported								\$0	\$0
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
<b>TOTAL EXPENSES</b>	\$546	\$134,994	\$765	\$0	\$19,028	\$0	\$155,333	\$60,663	\$215,996
<b>SQUARE METRES</b>									
School Buildings									1,700.7
Non School Buildings									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 Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

**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.

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