

**HILLCREST CHRISTIAN SCHOOL
SOCIETY**

Financial Statements

Year Ended August 31, 2023

Private School Authority Code: 9171
School Code: 1194

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules for
FUNDED PRIVATE SCHOOLS
FOR THE YEAR ENDED AUGUST 31, 2023**
Education Act, Section 29
Private Schools Regulation, Alberta Regulation 127/2022

Hillcrest Christian School
Hillcrest Christian School Society
Name of Private School and Legal Name of Organization Operating the Private School
10306 - 102 St., Grande Prairie, AB T8V 2W3
Mailing Address
780-539-9161 Fax 780-532-6932
Telephone and Fax Numbers

These Financial Statements and Supporting Schedules are Audited by:

BDO Canada LLP Suite 100, 179D Leva Avenue, Red
Deer County, Alberta, T4E 1B9



Name and Address of the Audit Firm

Auditor's Signature

PRIVATE SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.

The financial statements and supporting schedules of Hillcrest Christian School Society
(Name of Private School)

presented to Alberta Education have been prepared by the private school's management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit organizations and Ministerial requirements for Alberta funded private schools.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the private school'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 private school'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 budgetary system of control.

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

External Independent Auditors

The Board appoints external independent auditors to audit these financial statements and meets with the auditor to review their findings. The external independent auditors have full and free access to school authority's records.

Declaration of Board Chair and Treasurer, Secretary-Treasurer

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position as at August 31, 2023 and results of operations, cash flows, and changes in net assets for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and Ministerial requirements for Alberta funded private schools.

BOARD CHAIR / PRESIDENT

Sharon Ambros
Name



Signature

HEAD OF SCHOOL / PRINCIPAL

Dave Paetkau
Name



Signature

TREASURER OR SECRETARY - TREASURER

Calvin Smith
Name



Signature

November 20, 2023
Board-approved Release Date

ALBERTA EDUCATION, Financial Reporting and Accountability,
8th Floor Commerce Place, 10155-102 Street, Edmonton, Alberta T5J 4L5
E-mail: edc.fra-private@gov.ab.ca Telephone: (780) 422-0312



Private School Authority Code: 9171
School Code: 1194

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Independent Auditor's Report

To the Members of Hillcrest Christian School Society

Opinion

We have audited the financial statements of Hillcrest Christian School Society (the Society), which comprise the statement of financial position as at August 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report - continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

BDO Canada LLP

Chartered Professional Accountants

Red Deer, Alberta
November 20, 2023

STATEMENT OF FINANCIAL POSITION
 as at August 31
 (in dollars)

		AFS 2023	AFS 2022 (NOTE *) x
ASSETS			
Current assets			
Cash and cash equivalents	Note	\$377,011	\$353,557
Accounts receivable (net after allowances)			
Province of Alberta	Note	\$0	\$0
Federal Government and/or First Nations	Note 2	\$1,411	\$1,650
Other accounts receivable	Note 2	\$20,791	\$6,555
Prepaid expenses	Note 3	\$2,767	\$4,842
Other current assets	Note	\$0	\$0
Total current assets		\$401,980	\$366,604
School generated assets	Note	\$0	\$0
Trust assets	Note	\$0	\$0
Other assets	Note	\$0	\$0
Capital assets			
Land at cost		\$0	\$0
Buildings at cost		\$0	
Less: accumulated amortization		\$0	\$0
Leasehold improvements at cost		\$28,086	
Less: accumulated amortization		\$27,058	\$1,028
Equipment at cost		\$6,193	
Less: accumulated amortization		\$309	\$5,884
Vehicles at cost		\$0	
Less: accumulated amortization		\$0	\$0
Total capital assets	Note 4	\$6,912	\$1,543
TOTAL ASSETS		\$408,892	\$368,147
LIABILITIES			
Current liabilities			
Bank indebtedness	Note 5	\$0	\$0
Accounts payable and accrued liabilities			
Province of Alberta	Note	\$15,908	\$48,532
Federal Government and/or First Nations	Note	\$8,751	\$10,208
Other payables and accrued liabilities	Note	\$24,281	\$15,618
Capital payables	Note	\$0	\$0
Deferred contributions	Note 6	\$8,076	\$8,069
Deferred capital allocations	Note	\$0	\$0
Current portion of long term debt		\$0	\$0
Total current liabilities		\$57,016	\$82,428
School generated liabilities	Note	\$0	\$0
Trust liabilities	Note	\$0	\$0
Other liabilities	Note	\$0	\$0
Long term debt			
Debtures & Bonds	Note	\$0	\$0
Capital loans	Note	\$0	\$0
Capital leases	Note	\$0	\$0
Mortgages	Note	\$0	\$0
Other loans	Note	\$0	\$0
Less: Current portion of long term debt	Note	\$0	\$0
Unamortized capital allocations	Note	\$0	\$0
Total long term liabilities		\$0	\$0
TOTAL LIABILITIES		\$57,016	\$82,428
NET ASSETS			
Unrestricted net assets		\$344,965	\$284,177
Operating reserves		\$0	\$0
Total accumulated surplus (deficit) from operations		\$344,965	\$284,177
Investment in capital assets		\$6,911	\$1,542
Capital reserves		\$0	\$0
Total capital funds		\$6,911	\$1,542
Total net assets		\$351,876	\$285,719
TOTAL LIABILITIES AND NET ASSETS		\$408,892	\$368,147

Note: * Audited Financial Statements (AFS) as submitted to Alberta Education pursuant to Section 29 of the Education Act; Private Schools Regulation, Alberta Regulation 127/2022 or as restated.
 Input "(Restated)" in 2022 column heading where not taken from the finalized 2021/2022 Audited Financial Statements.

STATEMENT OF OPERATIONS
for the Year Ended August 31
 (in dollars)

	AFS 2023	Budget 2023 (NOTE *)	AFS 2022 (NOTE *)
REVENUES			
Alberta Education (excluding Home Education)	\$427,307	\$443,215	\$397,730
Alberta Education - Home Education	\$23,800	\$22,100	\$22,100
Total Alberta Education Revenues	\$451,107	\$465,315	\$419,830
Other Government of Alberta	\$0	\$0	\$0
Federal Government and/or First Nations	\$0	\$0	\$17,416
Other Alberta school authorities	\$0	\$0	\$0
Instructional fees/Tuition fees	\$164,819	\$129,340	\$129,746
Non-instructional fees (O&M, Transportation, Admin, etc.)	\$0	\$4,500	\$0
Other sales and services	\$10,215	\$9,200	\$14,618
Interest on investments	\$0	\$0	\$0
Gifts and donations	\$3,419	\$3,000	\$3,710
Amortization of capital allocations	\$0	\$0	\$0
Other	\$0	\$0	\$1,190
Total Revenues	\$629,560	\$611,355	\$586,510
EXPENSES			
Home Education	\$14,407	\$14,965	\$10,609
Instruction - ECS	\$11,040	\$20,466	\$15,527
Instruction - Grades 1 to 12	\$443,703	\$407,305	\$543,397
Operations and maintenance	\$30,035	\$8,798	\$18,632
Transportation	\$549	\$0	\$0
Board and System Administration	\$63,669	\$51,570	\$51,240
External services	\$0	\$0	\$0
Total Expenses	\$563,403	\$503,104	\$639,405
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$66,157	\$108,251	(\$52,895)
	\$66,157		

Note: * Input "(Restated)" in Budget 2023 and/or AFS 2022 column headings where comparatives are not taken from the respective finalized 2022/2023 Budget Report and/or finalized 2021/2022 Audited Financial Statements.

Private School Authority Code: 9171
 School Code: 1194

STATEMENT OF CASH FLOWS
for the Year Ended August 31
 (in dollars)

	AFS 2023	AFS 2022 (NOTE *)	
		x	
CASH FLOWS FROM:			
A. OPERATING ACTIVITIES			
Surplus (deficit) of revenues over expenses for the year	\$66,157	(\$52,895)	
Add (Deduct) items not requiring cash:			
Amortization of capital allocations revenue	\$0	\$0	
Total amortization expense	\$824	\$1,399	
Add losses or deduct gains on disposal of capital assets	\$0	\$0	
Changes in accrued accounts:			
Accounts receivable	(\$13,997)	\$110,204	
Prepays and other current assets	\$2,075	(\$352)	
Payables and accrued liabilities	(\$25,418)	\$7,435	
Deferred contributions	\$7	(\$9,794)	
Other (specify):	\$0	\$0	
Total sources (uses) of cash from operations	\$29,647	\$55,997	
B. INVESTING ACTIVITIES			
Purchases of capital assets:			
Land	\$0	\$0	
Buildings	\$0	\$0	
Leasehold improvements	\$0	\$0	
Equipment	(\$6,193)	\$0	
Vehicles	\$0	\$0	
Net proceeds from disposal of capital assets	\$0	\$0	
Other (specify):	\$0	\$0	
Total sources (uses) of cash from investing activities	(\$6,193)	\$0	
C. FINANCING ACTIVITIES			
Capital contributions received	\$0	\$0	
Issuance of long term debt	\$0	\$0	
Repayment of long term debt	\$0	\$0	
Other (specify):	\$0	\$0	
Total sources (uses) from financing activities	\$0	\$0	
Net sources (uses) of cash equivalents* * during year	\$23,454	\$55,997	
Cash equivalents at the beginning of year	\$353,557	\$297,560	
Cash equivalents at the end of year	\$377,011	\$353,557	\$353,557

NOTE: * Input "(Restated)" in 2022 column heading where not taken from the finalized 2021/2022 Audited Financial Statements.

* * Cash equivalents consist of cash and temporary investments net of bank indebtedness.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2023
 (in dollars)

	(1)	(2)	(3)	(4)	(5)
	TOTAL NET ASSETS (Columns 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS (+, -)	TOTAL RESTRICTED NET ASSETS (Columns 5 to 8)	OPERATING I Grades K to 12
Balance at August 31, 2022	\$285,719	\$1,542	\$284,177	\$0	\$0
Prior period adjustments (specify):					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2022	\$285,719	\$1,542	\$284,177	\$0	\$0
Surplus(deficit) of revenues over expenses (from page 3)	\$66,157		\$66,157		
Capital asset acquisitions (less financed and/or less capital contributions received)		\$6,193	(\$6,193)	\$0	\$0
Donations of non-amortizable assets	\$0	\$0			
Amortization of capital assets (expense) *		(\$824)	\$824		
Amortization of capital allocations (revenue) **		\$0	\$0		
Disposal of capital assets		\$0	\$0	\$0	
Debt principal payments ***		\$0	\$0		
Net transfers to/from operating reserves	\$0	\$0	\$0	\$0	\$0
Net transfers to/from capital reserves	\$0	\$0	\$0	\$0	
Other transfers (specify):	\$0	\$0	\$0		
Balance at August 31, 2023	\$351,876	\$6,911	\$344,965	\$0	\$0
	\$351,876	\$6,911	\$344,965	\$0	

Note:

* Amortization of Capital Assets expense decreases the Investment in Capital Assets and increases Unrestricted Net Assets.

** Amortization of Capital Allocations revenue increases the Investment in Capital Assets and decreases Unrestricted Net Assets.

*** Principal payments increase Investment in Capital Assets and decreases Unrestricted Net Assets as the outstanding capital debt is paid down.

SCHEDULE 1
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS
for the Year Ended August 31, 2023

Private School Authority Code: _____
School Code: _____

REVENUES	TOTAL	Instruction			Operations and Maintenance of Schools	Transportation
		Home Education and Shared Responsibility	Early Childhood Services (ECS)	Instruction (Grades 1 to 12)		
Alberta Education allocations						
(1) ECS Base Instruction	\$8,268		\$8,268			
(2) Grades 1 to 12 Base Instruction (including Distance Education Primary and Non-Primary, Summer School)	\$195,456			\$195,456		
(3) Home Education and Shared Responsibility	\$23,800	\$23,800				
(4) Program Supports and Services	\$16,465		\$0	\$16,465		
(5) Operations and Maintenance Grant	\$25,989		\$0	\$0	\$25,989	
(6) Transportation Grant	\$2,297					\$2,297
(7) System Administration	\$20,319		\$0	\$0	\$0	
(8) Other - Alberta Education	\$158,513	\$0	\$0	\$158,513	\$0	
TOTAL ALBERTA EDUCATION ALLOCATIONS	\$451,107	\$23,800	\$8,268	\$370,434	\$25,989	\$2,297
(9) Other Government of Alberta	\$0	\$0	\$0	\$0	\$0	
(10) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0	
(11) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	
(12) Instructional fees / tuition fees	\$164,819	\$0	\$500	\$164,319		
(13) Non-instructional fees (O&M, Transport, Admin, etc.)	\$0	\$0	\$0	\$0	\$0	
(14) Other sales and services	\$10,215	\$0	\$200	\$10,015	\$0	
(15) Interest on investments	\$0	\$0	\$0	\$0	\$0	
(16) Gifts and donations	\$3,419	\$0	\$0	\$0	\$0	
(17) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	
(18) Other (specify):	\$0	\$0	\$0	\$0	\$0	
TOTAL REVENUES	\$629,560	\$629,560	\$23,800	\$8,968	\$544,768	\$25,989
EXPENSES						
(19) Certificated salaries	\$377,723	\$1,141	\$10,194	\$334,542		
(20) Certificated benefits	\$28,091	\$88	\$771	\$24,421		
(21) Non-certificated salaries and wages	\$60,784	\$0	\$0	\$46,576	\$11,588	
(22) Non-certificated benefits	\$4,702	\$0	\$0	\$3,581	\$950	
SUB-TOTAL	\$471,300	\$1,229	\$10,965	\$409,120	\$12,538	
(23) Services, contracts & supplies - other than Consulting fees / Management fees, and leases	\$86,509	\$13,178	\$75	\$29,813	\$16,673	\$5,000
(24) Consulting / Management Fees	\$0	\$0	\$0	\$0	\$0	
(25) Leases - Building	\$0	\$0	\$0	\$0	\$0	
(26) Leases - Other	\$0	\$0	\$0	\$0	\$0	
Capital and debt services						
(27) Amortization of capital assets from restricted funds	\$0	\$0	\$0	\$0	\$0	
(28) Amortization of capital assets from unrestricted funds	\$824	\$0	\$0	\$0	\$824	
(29) Interest on capital debt	\$0	\$0	\$0	\$0	\$0	
(30) Other interest charges	\$0	\$0	\$0	\$0	\$0	
(31) Losses (gains) on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	
(32) Other (specify): Bad Debt	\$4,770	\$0	\$0	\$4,770	\$0	
TOTAL EXPENSES	\$563,403	\$563,403	\$14,407	\$11,040	\$443,703	\$30,035
Surplus(deficit) of revenues over expenses	\$66,157	\$66,157	\$9,393	(\$2,072)	\$101,065	(\$4,046)
	\$66,157					

**SCHEDULE 2
 ANALYSIS OF EARLY CHILDHOOD SERVICES (ECS) PROGRAM UNIT EXPENSES
 for the Year Ended August 31, 2023**

	ECS Program Unit (excluding Moderate Language Delay Grant)	ECS Moderate Language Delay Grant code 48 only
Instruction		
Certificated salaries	\$10,194	\$0
Certificated benefits	\$771	\$0
Non-certificated salaries and wages	\$0	\$0
Non-certificated benefits	\$0	\$0
Specialized services and supports	\$0	\$0
Supplies and materials	\$75	\$0
Parent and staff in-service	\$0	\$0
Other (specify)	\$0	\$0
Specialized equipment & furniture (child specific). Please specify:	\$0	\$0
Total	\$11,040	\$0

**Schedule 3
Remuneration and Monetary Incentives
for the Year Ended August 31, 2023**

Position	Name	Full Time Equivalent (FTE)	Remuneration	Benefits and Allowances	Other Accrued Unpaid Benefits	Other Expenses
Board Chair:	Sharon Ambros	0.07	\$0	\$0	\$0	\$0
Secretary-Treasurer:	Calvin Smith	0.07	\$0	\$0	\$0	\$0
Secretary:		0.00	\$0	\$0	\$0	\$0
Treasurer:		0.00	\$0	\$0	\$0	\$0
Board of Directors:	1 Elaine Isaac	0.03	\$0	\$0	\$0	\$0
	2 Daniel Giesbrecht-Hildebrand	0.03	\$0	\$0	\$0	\$0
	3 Britlany Smith-Giesbrecht	0.03	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
	7	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
	10	0.00	\$0	\$0	\$0	\$0
	11	0.00	\$0	\$0	\$0	\$0
	12	0.00	\$0	\$0	\$0	\$0
	13	0.00	\$0	\$0	\$0	\$0
Board of Directors - Total		0.09	\$0	\$0	\$0	\$0
Head of School		0.00	\$0	\$0	\$0	\$0
Principals:	1 Dave Paetkau	0.69	\$48,761	\$3,510	\$0	\$0
	2 Curt Smith Giesbrecht	0.31	\$16,071	\$1,242	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
	7	0.00	\$0	\$0	\$0	\$0
	8	0.00	\$0	\$0	\$0	\$0
	9	0.00	\$0	\$0	\$0	\$0
Principals - Total		1.00	\$64,832	\$4,752	\$0	\$0
Chief Financial Officer:		0.00	\$0	\$0	\$0	\$0
Management/Executives:	1	0.00	\$0	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
	5	0.00	\$0	\$0	\$0	\$0
	6	0.00	\$0	\$0	\$0	\$0
Management/Executives - Total		0.00	\$0	\$0	\$0	\$0
Total Certificated staff (excluding Home Education)			\$311,750	\$23,251	\$0	\$0
Total Non-Certificated staff (excluding Home Education)			\$60,784	\$4,702	\$0	\$0
Total Certificated contract staff (excluding Home Education)				\$0	\$0	\$0
Total Non-Certificated contract staff (excluding Home Education)			\$0	\$0	\$0	\$0
Total Certificated staff (Home Education)			\$1,141	\$88	\$0	\$0
Total Non-Certificated staff (Home Education)			\$0	\$0	\$0	\$0
Total Certificated Contract staff (Home Education)			\$0	\$0	\$0	\$0
Total Non-Certificated Contract staff (Home Education)			\$0	\$0	\$0	\$0
Contracted Services for Senior Management and Director's Position Only:						
Position	Name	FTE 2023	Contract Amount 2023	Allowances 2023	Bonuses 2023	Other Expenses 2023
Consulting / Management fees:	1	0.00	\$0	\$0	\$0	\$0
	2	0.00	\$0	\$0	\$0	\$0
	3	0.00	\$0	\$0	\$0	\$0
	4	0.00	\$0	\$0	\$0	\$0
Consulting / Management fees - Total		0.00	\$0	\$0	\$0	\$0

Schedule 4
Related Party Transactions
for the Year Ended August 31, 2023
 (in dollars)

DETAILS OF TRANSACTION	DETAILS AND NATURE OF RELATIONSHIP	2023	2022
Revenues			
Rental		\$0	\$0
Sale of Capital Assets		\$0	\$0
Tuition Fees	Board members were charged Tuition fees of \$19,530 in accordance with the	\$19,530	\$9,620
Tuition fees (cont.)	Board approved fee schedule.	\$0	\$0
Total Revenues		\$19,530	\$9,620
Expenses			
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Salary and Benefits (Position)		\$0	\$0
Rental		\$0	\$0
System Support		\$0	\$0
Accounting Fees	The Society pays Joyspring Accounting accounting fees to perform annual	\$3,780	\$3,658
Accounting Fees (cont.)	bookkeeping and preparation of draft financial statements. Joyspring Accounting	\$0	\$0
Accounting Fees (cont.)	is owned by the Board Chair. These services are provided at fair market value.	\$0	\$0
Insurance/Utilities/Repairs	Hillcrest Mennonite Church is a related party as the Society and church share space	\$11,801	\$4,788
Insurance/Utilities/Repairs (cont.)	and expenses.	\$0	\$0
Total Expenses		\$15,581	\$8,446
Receivable from/ Payable to			
		\$0	\$0
		\$0	\$0
		\$0	\$0
Other Contractual Obligations/ Contingencies			
		\$0	\$0
		\$0	\$0

Note:

- Describe the nature of different fees and charges and segregate if significant.
- Group with other if not significant.
- Describe the nature of transactions included in Other.
- If applicable, include loans, payables, and receivables.

Schedule 5
Analysis of Home Education Funding Balances
for the Year Ended August 31, 2023
(in dollars)

DETAILS OF TRANSACTION	Full Time Equivalent (FTE) Enrolled	2022/2023	2021/2022
Home Education Funding Received from Alberta Education	14	\$23,800	\$22,100
Eligible 50% parent portion		\$11,900	\$11,050
Alberta Education Home Education Funding*:			
Paid to parents		\$13,281	\$9,669
Unclaimed by parents (deferred)		\$0	\$1,381
Declined by parents (deferred)		\$0	\$0
Parents transferred parental portion to school (per signed Parent Declaration** form)		\$0	\$0
Accounts Payable to Alberta Education			
Prior year deferred Unclaimed and Declined balances		\$1,381	
Less: reimbursements to parents for 2021/2022 expenses		(\$1,381)	
Less: 2021/2022 parent portion transferred to school		\$0	
Total Accounts Payable to Alberta Education		\$0	

Note:

* An accredited funded private school must offer to the parents of a home education student 50 per cent of the home education funding for the purchase of instructional materials. Parents have up to two years to access the parental portion of home education funding. Alberta Education will recover the unclaimed/declined portion, the year following the previous two year period.

** Declaration forms must be made available upon request by Alberta Education.

Parents who were eligible to receive 50% funding in 2021/22 had until the end of 2022/23 to claim expenses and/or transfer to school per signed Parent Declaration form. Any unclaimed/declined amounts remaining are payable to Alberta Education.

HILLCREST CHRISTIAN SCHOOL SOCIETY

Notes to Financial Statements

Year Ended August 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of business

Hillcrest Christian School Society (the "Society") delivers education under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta 2000. The Society is exempt from income taxes under section 149(1)(f) of the Income Tax Act.

Basis of accounting

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and may have an impact on future periods.

Financial instruments

The Society initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed to by the related parties.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in operations.

Capital Assets

Capital Assets with a cost exceeding \$5,000 are recorded at cost and amortized over their estimated useful lives assuming nil salvage on a straight-line basis as follows:

Equipment	5 years
Leasehold Improvements	20 years

Contributed services

In common with many non-profit organizations, volunteers contribute their time to assist the Society in carrying out its service delivery activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(continues)

HILLCREST CHRISTIAN SCHOOL SOCIETY

Notes to Financial Statements

Year Ended August 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Restricted contributions received for capital asset additions are recognized into revenue over the same period as the amortization expense.

Unrestricted contributions and revenue from operating contracts are recognized as revenue received or receivable if the amount can reasonably be estimated and collection is reasonably assured.

Fees for services related to courses and programs are recognized as revenue when courses and programs are delivered.

2. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Goods and services tax recoverable	\$ 1,411	\$ 1,650
Tuition and other accounts receivable	84,357	65,351
Allowance for doubtful accounts	<u>(63,566)</u>	<u>(58,796)</u>
	<u>\$ 22,202</u>	<u>\$ 8,205</u>

3. PREPAID EXPENSES

Prepaid expenses include expenditures incurred and paid/payable before the year-end. They are for school supplies which will be consumed subsequent to the year-end.

4. CAPITAL ASSETS

	<u>2023</u>		<u>2022</u>	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment	\$ 6,193	\$ 309	\$ -	\$ -
Leasehold improvements	28,086	27,058	28,085	26,543
	<u>\$ 34,279</u>	<u>\$ 27,367</u>	<u>\$ 28,085</u>	<u>\$ 26,543</u>
Net book value	<u>\$ 6,912</u>		<u>\$ 1,542</u>	

HILLCREST CHRISTIAN SCHOOL SOCIETY

Notes to Financial Statements

Year Ended August 31, 2023

5. BANK INDEBTEDNESS

The Society has a \$50,000 revolving line of credit available, due on demand, that bears interest at prime plus 4.25%, effectively 11.45% (2022 - 8.95%). As at August 31, 2023, the Society drew \$nil (2022 - \$nil) on this line of credit.

6. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Prepaid tuition	\$ 2,791	\$ 4,484
Government grants	<u>5,285</u>	<u>3,585</u>
	<u>\$ 8,076</u>	<u>\$ 8,069</u>

Prepaid tuition amounts pertain to funds received during the year for services related to courses and programs that will be delivered in the future.

7. RELATED PARTY TRANSACTIONS

The following table summarizes the contributions the Society received from the board of directors for the year:

	<u>2023</u>	<u>2022</u>
Revenue		
Tuition fees (including instructional fees in the statement of revenues and expenses)	\$ 19,530	\$ 9,620
Accounting fees (included in services, contracts, and supplies in the statement of revenues and expenses)	3,780	3,658
Hillcrest Mennonite Church insurance, utilities expenses and repairs.	<u>11,801</u>	<u>4,788</u>
	<u>\$ 35,111</u>	<u>\$ 18,066</u>

These transactions are in the normal course of operations and are measured at the exchange amount.

8. GIFTS AND DONATIONS

	<u>2023</u>	<u>2022</u>
Non-parent donations	\$ 3,365	\$ 3,710
Parent donations	<u>54</u>	<u>-</u>
	<u>\$ 3,419</u>	<u>\$ 3,710</u>

The Society leases space owned by Hillcrest Mennonite Church for nil consideration. This transaction represents a contributed service, and its fair value has not been recorded in the financial statements.

HILLCREST CHRISTIAN SCHOOL SOCIETY

Notes to Financial Statements

Year Ended August 31, 2023

9. FUNDING ALLOCATION

A portion of the funding for Severe Disabilities of \$16,465 (2022 - \$19,758) was used to support the teachers wages for this program.

10. ECONOMIC DEPENDENCE

The Society receives significant grant revenue from Alberta Education. The Society's ability to continue viable operations is dependent on this funding.

In addition, the Society rents a facility at no charge from the Hillcrest Mennonite Church. The Society's ability to continue viable operations is dependent on the continued availability of this facility.

11. FINANCIAL INSTRUMENTS RISK

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations association with financial liabilities. The Society is exposed to liquidity risk because it enters into transactions to purchase goods and services on credit. The Society manages the liquidity risk resulting from expenditures through the preparation and monitoring of budgets, maintaining its bank indebtedness, and maintaining communications with donors.

The bank indebtedness is subject to interest rate cash flow risk, as the required cash flows to service debt will fluctuate as a result of changes in market rates.

Credit risk is a risk that the Society may incur a financial loss due to the other party failing to discharge its obligation to the Society. The Society records an allowance for doubtful accounts based on the determined credit risk and previous history of collections.

12. BUDGET AMOUNTS

The budget was prepared by the Society and approved by the Board of Directors. It is presented for information purposes only and has not been audited.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

HILLCREST CHRISTIAN SCHOOL SOCIETY

Notes to Financial Statements

Year Ended August 31, 2023

14. ALBERTA EDUCATION HOME EDUCATION FUNDING BALANCE AND TRANSACTIONS

	Full Time Equivalent (FTE) Enrolled Students		2022/2023		2021/2022
Home Education funding received from Alberta Education	14.0	\$	23,800	\$	22,100
Alberta Education funding allocated to Home Education program.	-	\$	11,900	\$	10,609
1. Paid to parents	-		13,281	\$	9,527
		\$	14	\$	48,981
				\$	42,236
