

JANUS ACADEMY SOCIETY
Financial Statements
Year Ended August 31, 2022

JANUS ACADEMY SOCIETY
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Year Ended August 31, 2022

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BUCHANAN BARRY LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Janus Academy Society

Opinion

We have audited the financial statements of Janus Academy Society (the "Society"), which comprise the statement of financial position as at August 31, 2022, 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, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

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 ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with "ASNPO", 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 to the Members of Janus Academy Society (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.



Calgary, Alberta
November 24, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS

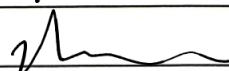
JANUS ACADEMY SOCIETY
Statement of Financial Position
August 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 1,078,889	\$ 1,220,834
Accounts receivable	-	1,930
Goods and services tax recoverable	13,028	18,954
Prepaid expenses	13,866	5,377
	1,105,783	1,247,095
SECURITY DEPOSIT	41,920	41,920
TANGIBLE CAPITAL ASSETS (Note 2)	1,442,487	1,573,429
	\$ 2,590,190	\$ 2,862,444
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 86,328	\$ 86,143
Deferred revenue (Note 3)	785,174	751,483
Deferred operating contributions (Note 4)	2,589	10,236
Deferred capital contributions (Note 5)	7,412	-
Unamortized capital contributions (Note 6)	157,861	191,374
	1,039,364	1,039,236
DEFERRED RENT PAYABLE (Note 7)	22,788	11,394
DEFERRED LEASE INDUCEMENT (Note 8)	789,984	850,752
	1,852,136	1,901,382
NET ASSETS		
UNRESTRICTED	243,412	429,759
INVESTED IN TANGIBLE CAPITAL ASSETS	494,642	531,303
	738,054	961,062
	\$ 2,590,190	\$ 2,862,444

COMMITMENTS (Note 9)

APPROVED ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

JANUS ACADEMY SOCIETY
Statement of Operations
Year Ended August 31, 2022

	2022	2021
REVENUE		
Alberta Education	\$ 1,790,231	\$ 1,684,729
Amortization of capital contributions	33,513	29,908
Gifts and donations	189,117	189,762
Interest and other	13,461	9,648
Operating contributions	48,567	98,834
Government assistance (Note 16)	-	20,946
Skeet shooting tournament	40,720	-
Spring gala	271,416	119,258
Tuition	1,105,000	951,000
	<u>3,492,025</u>	<u>3,104,085</u>
EXPENSES		
Amortization of tangible capital assets	164,785	150,521
Information technology	25,931	37,032
Bad debts	-	13,500
Consulting fees	62,462	17,144
Field trips and activities	1,522	344
Fundraising fees (Note 11)	54,182	112,206
Insurance	18,687	17,107
Interest and bank charges	14,147	14,858
Office	47,618	31,374
Professional development	6,618	15,844
Professional fees	37,464	39,516
Rent	292,893	290,957
Repairs and maintenance	47,297	14,928
Salaries and wages (Notes 11, 16)	2,732,644	2,341,237
Skeet shooting expenditures	16,023	-
Spring gala expenditures	85,984	12,725
Supplies	72,378	86,226
Telephone and utilities	23,166	21,844
Vehicle	11,232	3,365
	<u>3,715,033</u>	<u>3,220,728</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (223,008)</u>	<u>\$ (116,643)</u>

JANUS ACADEMY SOCIETY
Statement of Changes in Net Assets
Year Ended August 31, 2022

	Unrestricted	Invested in Tangible Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 429,759	\$ 531,303	\$ 961,062	\$ 1,077,705
Deficiency of revenue over expenses	(91,734)	(131,274)	(223,008)	(116,643)
Purchase of tangible capital assets, net of deferred lease inducement	(94,613)	94,613	-	-
NET ASSETS - END OF YEAR	<u>\$ 243,412</u>	<u>\$ 494,642</u>	<u>\$ 738,054</u>	<u>\$ 961,062</u>

JANUS ACADEMY SOCIETY
Statement of Cash Flows
Year Ended August 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Deficiency of revenue over expenses	\$ (223,008)	\$ (116,643)
Items not affecting cash:		
Amortization of capital contributions (Note 6)	(33,513)	(29,908)
Amortization of tangible capital assets	164,785	150,521
Amortization of deferred tenant allowance	(60,768)	(60,768)
Straight-line rent adjustment (Note 7)	11,394	11,394
	<u>(141,110)</u>	<u>(45,404)</u>
Changes in non-cash working capital:		
Accounts receivable	1,930	9,279
Goods and services tax recoverable	5,926	5,676
Prepaid expenses	(8,489)	38,381
Accounts payable and accrued liabilities	186	(476,895)
Deferred revenue	33,691	179,233
Deferred operating contributions	(7,647)	(433)
Deferred capital contributions	7,412	(1,810)
	<u>33,009</u>	<u>(246,569)</u>
	<u>(108,101)</u>	<u>(291,973)</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(33,844)</u>	<u>(139,457)</u>
FINANCING ACTIVITY		
Capital contributions received (Note 6)	<u>-</u>	<u>17,668</u>
DECREASE IN CASH	(141,945)	(413,762)
CASH - Beginning of year	<u>1,220,834</u>	<u>1,634,596</u>
CASH - End of year	<u>\$ 1,078,889</u>	<u>\$ 1,220,834</u>

NON-MONETARY TRANSACTIONS (Note 14)

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

Janus Academy Society (the "Society") is a registered not-for-profit Society under the Alberta Societies Act. The Society provides education, therapy and treatment for children who have autism under the authority of the Education Act, Chapter E-0.3, Statutes of Alberta, 2012.

The Private School Authority delivers education programs under the authority of the Education Act, Private Schools Regulation, Alberta Regulation 93/2019.

The Society is a registered charity as defined in section 149(1)(f) of the Income Tax Act and is exempt from income tax.

The global outbreak of COVID-19 (Coronavirus) has had a significant impact on businesses and non-profit organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 pandemic may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. While the extent of the impact is unknown, it is feasible that the pandemic could continue to cause changes in the availability of grants, corporate and individual donations, and the Society's ability to hold fundraising events.

In the current year, the Society has maintained increased supplies and wages expense relating to the ongoing sanitation protocols still in place due to the ongoing COVID-19 pandemic. However, due to the removal of COVID-19 restrictions related to gatherings, the Society was able to hold in person fundraising events, which increased its fundraising revenue. The Society has also been able to increase enrollment resulting in higher tuition revenue.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Society have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

Cash and cash equivalents

Cash consists of cash on hand and bank deposits. Highly liquid investments with maturities of three months or less at date of purchase are considered to be cash equivalents.

Prepaid expenses

Certain expenditures incurred before the close of the school year are for school supplies that will be consumed after the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses, deposits and programs fall into this category.

(continues)

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

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

Tangible capital assets

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are stated at the fair value at the date of contribution less any accumulated amortization. Tangible capital assets are amortized over their estimated useful lives using the following rates and methods:

Computer and surveillance equipment	25%	straight-line method
Donor wall	180 months	straight-line method
Furniture and equipment	20%	straight-line method
Leasehold improvements	180 months	straight-line method
School buses	10%	straight-line method

Tangible capital assets with costs in excess of \$5,000 are capitalized. The Society regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

External service programs

Funds generated from external service programs are included as assets, liabilities, revenues and expenses of the society because the accountability and control or ownership of these funds rests with the Society's officials or their appointee.

Contributed goods and services

The Society receives a number of donated goods for use in its fundraising events. Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Contributed goods are recognized in the financial statements where the fair value can be reasonably estimated.

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. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted contributions for the purchase of tangible capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

Fundraising event revenues are recognized when the event has occurred.

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

(continues)

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

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

Revenue from the external service program, adult day program, is recognized as revenue when the related expenses for which the funds were received are incurred.

Interest income is recognized when it is earned.

Leases

The Society has an operating lease agreement with respect to its premises. Lease payments are expensed as incurred. Escalating lease payments over the term of the lease are recognized on a straight-line basis over the lease term. As a result, the base rent expense is increased or decreased to recognize the rent on a straight-line basis over the term of the lease. The difference between the base rent and the straight-line amount is adjusted to a deferred or prepaid rent amount on the statement of financial position throughout the term of the lease.

Lease inducements including up-front cash payments, initial rent-free or reduced rent periods as well as the reimbursement of costs to the Society such as moving or leasehold improvements, are an inseparable part of the lease agreement that are accounted for as a reduction to the lease expense over the term of the lease. Unamortized lease inducements are recorded to deferred lease inducements on the statement of financial position.

Financial instruments policy

Measurement

The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and security deposit.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets subsequently measured at amortized cost are tested for impairment when there are indications that an impairment exists. The amount of write-down is recognized as an impairment loss in excess of revenue over expenses. A previously recognized impairment loss may be reversed to the extent of an improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses in the period the reversal occurs.

Transaction costs

Financial instruments subsequently measured at amortized cost are adjusted for financing fees and transaction costs which are directly attributable to the origination and acquisition of the financial instrument.

(continues)

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

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

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates and assumptions include the estimated useful life of tangible capital assets for amortization purposes and the related deferred contributions for tangible capital assets, and the net recoverable amount of tangible capital assets. By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates in future periods could be significant.

2. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer and surveillance equipment	\$ 73,538	\$ 34,274	\$ 39,264	\$ 57,649
Donor wall	41,683	2,547	39,136	16,695
Furniture and equipment	164,551	57,531	107,020	130,927
Leasehold improvements	1,296,207	172,733	1,123,474	1,209,888
School buses	246,772	113,179	133,593	158,270
	<u>\$ 1,822,751</u>	<u>\$ 380,264</u>	<u>\$ 1,442,487</u>	<u>\$ 1,573,429</u>

Tangible capital assets with a total cost of \$Nil (2021 - \$40,775) have not been amortized as they were not in use at August 31, 2022.

3. DEFERRED REVENUE

Deferred revenue represents tuition fees for the school year commencing September 2022.

	2022	2021
Deferred tuition fees	\$ 785,174	\$ 746,483
Deferred skeet shooting revenue	-	5,000
	<u>\$ 785,174</u>	<u>\$ 751,483</u>

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

4. DEFERRED OPERATING CONTRIBUTIONS

Deferred operating contributions represent unspent grants and donations that are restricted for the purchase of furniture, equipment, computers, salaries, training, office supplies and specified programs, excluding any expenditures in excess of the \$5,000 per item threshold for capitalization as per the Alberta Learning Guidelines, which have been included in deferred capital contributions. Changes to the deferred operating contributions balance are as follows:

	2022	2021
Balance - Beginning of year	\$ 10,236	\$ 10,669
Restricted operating contributions received in the year	40,920	98,401
Amount recognized as revenue in the year	(48,567)	(98,834)
Balance - End of year	\$ 2,589	\$ 10,236

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent unspent grants and donations that are restricted for the purchase of capital assets.

	2022	2021
Balance - Beginning of year	\$ -	\$ 1,810
Restricted capital contributions received in the year	7,412	-
Capital contributions recognized in the current year	-	(1,810)
Balance - End of year	\$ 7,412	\$ -

6. UNAMORTIZED CAPITAL CONTRIBUTIONS

Unamortized capital contributions represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable tangible capital asset to which the restricted capital allocation applies. The unamortized capital contributions account balance is increased by donated tangible capital assets or transfers of previously deferred capital allocations now spent, and is decreased as it is brought into revenue (amortization of capital contributions).

	2022	2021
Balance - Beginning of year	\$ 191,374	\$ 196,796
Capital contributions added during the year (Note 14)	-	24,486
Amortization of capital contributions	(33,513)	(29,908)
Balance - End of year	\$ 157,861	\$ 191,374

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

7. DEFERRED RENT PAYABLE

There is escalating rent over the term of the premises lease, due to which rent payments are deferred over the term of the lease on a straight-line basis. Rent expense is increased or reduced to smooth the expense impacts as the life of the lease is consumed, with timing differences between the statement of operations and cash flows adjusted to the deferred or prepaid rent on the statement of financial position. During the year \$11,394 (2021 - \$11,394) of deferred rent was recorded to rent expense.

8. DEFERRED LEASE INDUCEMENT

In 2020, the Society received a lease inducement allowance of \$911,520 to fulfill the cost of leasehold improvements under the terms of the premises lease agreement described in Note 9. The deferred lease inducement will be recorded into revenue over the fifteen year life of the lease as an annual credit of \$60,768 to rental expense. During the year \$60,768 (2021 - \$60,768) of deferred lease inducement was recorded against rent expense. If the Society were to default on the terms of the lease agreement, the Society would be obligated to repay the unamortized portion of the deferred lease inducement.

9. COMMITMENTS

Photocopier Lease

The Society signed a long-term lease agreement with respect to its photocopiers commencing September 18, 2020. The agreement has a lease term of five years.

Fund Development and Communications Services

In the current year, the Society signed a service agreement for the development and implementation of a comprehensive marketing and communications strategy. The term of the agreement shall begin on September 1, 2022 and continue until August 31, 2023.

Lease

In 2020, the Society signed a long-term lease agreement with respect to its premises commencing September 1, 2020. The agreement has a lease term of ten years with a renewal option available to extend the term for five years. The scheduled minimum lease payments, outlined below, do not include the Society's proportionate share of utilities, property taxes, or operating costs, which are the responsibility of the Society.

Under the terms of the lease agreement, the Society will also pay an annual management fee in an amount equal to the greater of:

1. 5% of the annual minimum lease payments.
2. 3% of the sum of the annual amounts payable under the lease including; the annual minimum lease payments, the Society's proportionate share of the operating costs and property taxes.

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JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

9. COMMITMENTS *(continued)*

Future minimum payments under the terms of each agreement are as follows:

		Photocopier Lease	Fund Development	Lease	Total
2023	\$	4,700	\$ 55,000	\$ 227,880	\$ 287,580
2024		4,700		227,880	232,580
2025		4,700		227,880	232,580
2026				250,668	250,668
2027				250,668	250,668
Thereafter				752,004	752,004
	\$	14,100	\$ 55,000	\$ 1,936,980	\$ 2,006,080

10. EMPLOYEE REGISTERED RETIREMENT SAVINGS PLAN

The Society has an employee registered retirement savings plan available to all employees on a voluntary basis. Under the plan, employees are able to contribute 3% to 5% of their annual salaries, based on years of service. The Society contributes on a matching basis. Included in salaries and benefits are \$48,299 (2020 - \$38,158) of contributions made on behalf of the Society employees.

11. FUNDRAISING

During the year, the Society incurred \$54,182 (2021 - \$112,206) of expenses under a consulting contract related to fundraising activities. In addition, the Society paid remuneration of \$87,294 (2021 - \$81,459) to an employee whose responsibilities related primarily to fundraising, which is included in salaries and benefits on the statement of operations for the year ended August 31, 2022.

12. RELATED PARTY TRANSACTIONS

Included in audio visual IT expense are IT supplies and support fees in the amount of \$18,014 (2021 - \$38,139) paid to a relative of the program director.

Included in computer and surveillance equipment is \$Nil (2021 - \$25,621) of assets purchased from a relative of the program director.

The above transactions are all in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

13. REMUNERATION AND MONETARY INCENTIVES

	Full time equivalent	Remuneration	Benefits/ Allowance
Principal: Stacey Oliver	1.00	\$ 82,316	\$ 14,375
Chair: Maxine Jones-Sine	0.14	-	-
Vice Chair: Servejit Massey	0.01	-	-
Secretary: Jennifer Tinkler-Chirvau	0.01	-	-
Treasurer: Cecilia Chen	0.01	-	-
Board member: Allison Streit	0.01	-	-
Board member: Katie Ruddy	0.01	-	-
Board member: Rahim Bhatia	0.01	-	-
Board member: Peter Taylor	0.01	-	-
Board member: Rosa Twyman	0.01	-	-
Board member: Julia Jacobs-Levan	0.01	-	-
Subtotal		82,316	14,375
Certificated teachers		346,803	42,746
Non-certificated - other employees		1,950,378	296,026
Subtotal		2,297,181	338,772
Total		\$ 2,379,497	\$ 353,147

14. NON-MONETARY TRANSACTIONS

During the year, the Society received contributed material and services for its Spring Gala, valued at \$4,759, and small items of furniture, below the Society's capitalization threshold, with an aggregate value of \$6,700. The donated services and furniture are to used in the normal course of the Society's operations and would otherwise likely have been purchased by the Society. In addition, the Society received donated tangible capital assets valued at \$Nil (2021 - \$6,818). As the donations are non-monetary transactions, they have been excluded from the statement of cash flows.

15. ECONOMIC DEPENDENCE

In 2020, Alberta Education changed its funding model from a per-student allocation to a weighted moving average funding model which takes into account the previous year's actual enrollment, the current year's estimated enrollment and the projected next school year's enrollment. Given the uncertainty regarding enrollment, there could be an obligation for the Society to repay funding. The Society's primary source of income is from Alberta Education and its ability to continue viable operations is dependent on this funding.

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

16. GOVERNMENT ASSISTANCE

In the prior year, in response to the negative economic impact of COVID-19, the Government of Canada announced the Alberta Safe Return to Class Fund program. This funding was provided by the federal government to support provincial efforts to ensure a safe return to school and could be used for various measures such as supporting adapted learning spaces, increasing hand sanitation and hygiene and purchasing personal protective equipment and cleaning supplies during the pandemic.

Last year, the Society received \$24,500 through the Alberta Safe Return to Class Fund program for the year ended August 31, 2021. A portion of this government funding was utilized to purchase a capital asset at a cost of \$3,554. The cost of the capital asset was recorded as an unamortized capital contribution and is being recognized in revenue through amortization as per the approved amortization policy described in Note 1. During the year, the Society, amortized and brought into revenue \$711 included in amortization of capital contributions (2021 - \$711). The remainder of the prior year government funding was utilized for expenses related to increasing sanitation and hygiene, purchasing of personal protective equipment and custodian wages and was, therefore, recognized as revenue as the Society incurred expenses of \$8,485 related to sanitation and other supplies in the year ended August 31, 2021.

During the year ended August 31, 2021, the Society also received \$55,553 of provincial funding through the Critical Workers Benefit. This funding was provided by the provincial government to provide each eligible critical worker in education sectors with a one-time lump-sum payment of \$1,200 paid through their employers. The Society did not receive any amounts related to the Critical Workers Benefit for the year ended August 31, 2022.

During the current year, the Society received from Alberta Education the Safe Indoor Air Top-Up in the amount of \$1,381 to ensure that school authorities have additional resources to support ventilation improvement projects in the education sector. The Society has incurred expenses of \$1,381 related to school ventilation maintenance.

17. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis provides information about the Society's risk exposure and concentration as of August 31, 2022.

Credit risk

Credit risk arises from the potential that third parties may default on their financial obligations. The Society is exposed to credit risk on cash. The Society's credit risk exposure on cash is minimized substantially by ensuring that cash is held with credible financial institutions.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is not significantly exposed to liquidity risk due to its positive working capital.

(continues)

JANUS ACADEMY SOCIETY
Notes to Financial Statements
Year Ended August 31, 2022

17. FINANCIAL INSTRUMENTS *(continued)*

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk as further described below:

(a) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the reporting currency of the Society will fluctuate due to changes in foreign exchange rates. The Society is not exposed to foreign currency exchange risk.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is not exposed to interest rate risk.

(c) Other price risk





Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is not exposed to other price risk.

18. COMPARATIVE FIGURES

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

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