

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

**Parkland School Division No. 70**

Legal Name of School Jurisdiction

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Mailing Address

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Telephone & Fax Numbers, and Email Address

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

The financial statements of Parkland School Division No. 70 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong system of budgetary control.

***Board of Trustees Responsibility***

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

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

***Declaration of Management and Board Chair***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

**BOARD CHAIR**

**Mr. Eric Cameron**

Name

**"Original Signed"**

Signature

**SUPERINTENDENT**

**Mr. Timothy Monds**

Name

**"Original Signed"**

Signature

**SECRETARY-TREASURER OR TREASURER**

**Ms. Claire Jonsson**

Name

**"Original Signed"**

Signature

**November 29, 2016**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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November 29, 2016

## **Independent Auditor's Report**

**To the Board of Trustees of  
Parkland School Division No. 70**

We have audited the accompanying financial statements of Parkland School Division No. 70, which comprise the statement of financial position as at August 31, 2016 and the statements of operations, cash flows, change in net debt, and remeasurement gains and losses for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Parkland School Division No. 70 as at August 31, 2016 and the results of its operations, its remeasurement gains and losses, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants**

PricewaterhouseCoopers LLP  
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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

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

		2016	2015
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 13,926,760	\$ 11,646,225
Accounts receivable (net after allowances)	(Note 4)	\$ 770,009	\$ 2,023,940
Portfolio investments		\$ -	\$ -
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		\$ 14,696,769	\$ 13,670,165
<b>LIABILITIES</b>			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 5)	\$ 4,475,916	\$ 3,455,465
Deferred revenue	(Note 6)	\$ 97,877,652	\$ 82,008,950
Employee future benefit liabilities	(Note 7)	\$ 265,200	\$ 167,700
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 8)		
Supported: Debentures and other supported debt		\$ -	\$ 15,370
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		\$ 102,618,768	\$ 85,647,485
<b>Net financial assets (debt)</b>		\$ (87,921,999)	\$ (71,977,320)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6)		
Land		\$ 4,167,683	\$ 4,167,683
Construction in progress		\$ -	\$ 1,905,492
Buildings	\$ 154,970,053		
Less: Accumulated amortization	\$ (59,659,132)	\$ 95,310,921	\$ 77,458,823
Equipment	\$ 11,087,475		
Less: Accumulated amortization	\$ (8,053,993)	\$ 3,033,482	\$ 1,656,414
Vehicles	\$ 1,266,658		
Less: Accumulated amortization	\$ (1,212,543)	\$ 54,115	\$ 61,208
Computer Equipment	\$ 3,334,707		
Less: Accumulated amortization	\$ (2,196,606)	\$ 1,138,101	\$ 1,340,767
<b>Total tangible capital assets</b>		\$ 103,704,302	\$ 86,590,387
Prepaid expenses	(Note 9)	\$ 494,771	\$ 10,518
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		\$ 104,199,073	\$ 86,600,905
<b>Accumulated surplus</b>	(Schedule 1; Note 10)	\$ 16,277,074	\$ 14,623,585
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 16,277,074	\$ 14,623,585
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 16,277,074	\$ 14,623,585
<b>Contractual obligations</b>	(Note 11)		
<b>Contingent liabilities</b>	(Note 12)		

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

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

	Budget 2016	Actual 2016	Actual 2015
<b>REVENUES</b>			
Alberta Education	\$ 116,382,389	\$ 117,786,650	\$ 112,354,522
Other - Government of Alberta	\$ 1,786	\$ 1,787	\$ 2,280
Federal Government and First Nations	\$ 1,785,573	\$ 1,757,327	\$ 1,720,967
Other Alberta school authorities	\$ 109,571	\$ 107,904	\$ 104,491
Out of province authorities	\$ 11,250	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 3,095,074	\$ 2,892,910	\$ 3,184,886
Other sales and services	\$ 725,780	\$ 1,511,954	\$ 1,581,894
Investment income	\$ 143,200	\$ 171,001	\$ 185,961
Gifts and donations	\$ 94,451	\$ 1,195,734	\$ 132,707
Rental of facilities	\$ 38,680	\$ 7,877	\$ 7,577
Fundraising	\$ 1,283,059	\$ 642,263	\$ 1,140,331
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>\$ 123,670,813</b>	<b>\$ 126,075,407</b>	<b>\$ 120,415,616</b>
<b>EXPENSES</b>			
Instruction - ECS	\$ 6,014,352	\$ 9,548,021	\$ 8,121,359
Instruction - Grades 1 - 12	\$ 89,534,537	\$ 85,965,513	\$ 83,661,497
Plant operations and maintenance	\$ 13,300,311	\$ 13,791,928	\$ 14,135,112
Transportation	\$ 10,821,194	\$ 10,648,021	\$ 10,452,383
Board & system administration	\$ 4,028,321	\$ 4,410,704	\$ 3,993,819
External services	\$ 38,680	\$ 57,731	\$ 57,787
<b>Total expenses</b>	<b>\$ 123,737,395</b>	<b>\$ 124,421,918</b>	<b>\$ 120,421,957</b>
<b>Operating surplus (deficit)</b>	<b>\$ (66,582)</b>	<b>\$ 1,653,489</b>	<b>\$ (6,341)</b>

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

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

	2016	2015
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 1,653,489	\$ (6,341)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,346,173	\$ 4,348,925
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (3,437,410)	\$ (3,489,546)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,253,931	\$ (925,921)
Prepays	\$ (484,253)	\$ 59,233
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 1,020,451	\$ (496,292)
Deferred revenue (excluding EDCR)	\$ 19,306,112	\$ 4,344,849
Employee future benefit liabilities	\$ 97,500	\$ 61,000
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 23,755,993</b>	<b>\$ 3,895,907</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (19,329,192)	\$ (3,199,565)
Equipment	\$ (1,906,345)	\$ (469,639)
Vehicles	\$ (39,154)	\$ -
Computer equipment	\$ (185,397)	\$ (955,962)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (21,460,088)</b>	<b>\$ (4,625,166)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (15,370)	\$ (22,347)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ (15,370)</b>	<b>\$ (22,347)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 2,280,535</b>	<b>\$ (751,606)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 11,646,225</b>	<b>\$ 12,397,831</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 13,926,760</b>	<b>\$ 11,646,225</b>

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

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

	2016	2015
Operating surplus (deficit)	\$ 1,653,489	\$ (6,341)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (21,460,088)	\$ (4,625,167)
Amortization of tangible capital assets	\$ 4,346,173	\$ 4,348,925
Net carrying value of tangible capital assets disposed of	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	<b>\$ (17,113,915)</b>	<b>\$ (276,242)</b>
Changes in:		
Prepaid expenses	\$ (484,253)	\$ 59,233
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
<b>Decrease (increase) in net debt</b>	<b>\$ (15,944,679)</b>	<b>\$ (223,350)</b>
<b>Net debt at beginning of year</b>	<b>\$ (71,977,320)</b>	<b>\$ (71,753,970)</b>
<b>Net debt at end of year</b>	<b>\$ (87,921,999)</b>	<b>\$ (71,977,320)</b>

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

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

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

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

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



**SCHEDULE 1**

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
<b>Balance at August 31, 2015</b>	\$ 14,623,585	\$ -	\$ 14,623,585	\$ 6,235,103	\$ -	\$ 943,769	\$ 3,435,815	\$ 4,008,898
<b>Prior period adjustments:</b>								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2015</b>	\$ 14,623,585	\$ -	\$ 14,623,585	\$ 6,235,103	\$ -	\$ 943,769	\$ 3,435,815	\$ 4,008,898
Operating surplus (deficit)	\$ 1,653,489		\$ 1,653,489			\$ 1,653,489		
Board funded tangible capital asset additions				\$ 1,486,335		\$ -	\$ -	\$ (1,486,335)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (4,346,173)		\$ 4,346,173		
Capital revenue recognized	\$ -			\$ 3,437,410		\$ (3,437,410)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (1,653,490)	\$ 1,653,490	
Net transfers from operating reserves	\$ -					\$ 851,225	\$ (851,225)	
Net transfers to capital reserves	\$ -					\$ (1,759,988)		\$ 1,759,988
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2016</b>	\$ 16,277,074	\$ -	\$ 16,277,074	\$ 6,812,675	\$ -	\$ 943,768	\$ 4,238,080	\$ 4,282,551

**SCHEDULE 1**

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2015</b>	\$ 2,939,492	\$ 1,593,643	\$ -	\$ 592,410	\$ 275,248	\$ 1,540,337	\$ 221,075	\$ 254,123	\$ -	\$ 28,385
<b>Prior period adjustments:</b>										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2015</b>	\$ 2,939,492	\$ 1,593,643	\$ -	\$ 592,410	\$ 275,248	\$ 1,540,337	\$ 221,075	\$ 254,123	\$ -	\$ 28,385
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (1,099,825)	\$ -	\$ (55,562)	\$ -	\$ (252,704)	\$ -	\$ (78,244)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Reinvested endowment income										
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 1,610,160		\$ -		\$ -		\$ 43,330		\$ -	
Net transfers from operating reserves	\$ (772,980)		\$ -		\$ -		\$ (78,245)		\$ -	
Net transfers to capital reserves		\$ 1,499,907		\$ 43,427		\$ 99,605		\$ 117,049		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2016</b>	\$ 3,776,672	\$ 1,993,725	\$ -	\$ 580,275	\$ 275,248	\$ 1,387,238	\$ 186,160	\$ 292,928	\$ -	\$ 28,385

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
<b>Balance at August 31, 2015</b>	\$ 800,429	\$ -	\$ -	\$ -	\$ 80,355,280
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ 800,429	\$ -	\$ -	\$ -	\$ 80,355,280
<b>Add:</b>					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 19,467,867				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (19,973,754)	\$ -	\$ -	\$ -	\$ 19,973,754
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,437,410
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2016</b>	\$ 294,542	\$ -	\$ -	\$ -	\$ 96,891,624
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)</b>					\$ 294,542

**Unexpended Deferred Capital Revenue**

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

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

REVENUES	2016							2015
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 9,630,801	\$ 80,754,126	\$ 13,587,735	\$ 9,650,696	\$ 4,147,654	\$ 15,638	\$ 117,786,650	\$ 112,354,522
(2) Other - Government of Alberta	\$ -	\$ -	\$ 1,787	\$ -	\$ -	\$ -	\$ 1,787	\$ 2,280
(3) Federal Government and First Nations	\$ -	\$ 1,500,644	\$ 188,234	\$ -	\$ 68,449	\$ -	\$ 1,757,327	\$ 1,720,967
(4) Other Alberta school authorities	\$ -	\$ 36,215	\$ -	\$ 71,689	\$ -	\$ -	\$ 107,904	\$ 104,491
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 93,556	\$ 2,016,735		\$ 782,619		\$ -	\$ 2,892,910	\$ 3,184,886
(9) Other sales and services	\$ -	\$ 1,253,619	\$ 9,295	\$ 186,347	\$ 23,600	\$ 39,093	\$ 1,511,954	\$ 1,581,894
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 171,001	\$ -	\$ 171,001	\$ 185,961
(11) Gifts and donations	\$ -	\$ 1,195,734	\$ -	\$ -	\$ -	\$ -	\$ 1,195,734	\$ 132,707
(12) Rental of facilities	\$ -	\$ -	\$ 4,877	\$ -	\$ -	\$ 3,000	\$ 7,877	\$ 7,577
(13) Fundraising	\$ -	\$ 642,263	\$ -	\$ -	\$ -	\$ -	\$ 642,263	\$ 1,140,331
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) <b>TOTAL REVENUES</b>	\$ 9,724,357	\$ 87,399,336	\$ 13,791,928	\$ 10,691,351	\$ 4,410,704	\$ 57,731	\$ 126,075,407	\$ 120,415,616
<b>EXPENSES</b>								
(17) Certificated salaries	\$ 3,870,081	\$ 51,323,059			\$ 616,122	\$ -	\$ 55,809,262	\$ 53,521,042
(18) Certificated benefits	\$ 757,416	\$ 12,011,288			\$ 186,059	\$ -	\$ 12,954,763	\$ 12,803,636
(19) Non-certificated salaries and wages	\$ 3,320,172	\$ 10,015,326	\$ 3,593,419	\$ 551,821	\$ 1,646,499	\$ 22,261	\$ 19,149,498	\$ 17,568,753
(20) Non-certificated benefits	\$ 804,309	\$ 2,675,109	\$ 979,128	\$ 118,803	\$ 371,965	\$ -	\$ 4,949,314	\$ 4,491,145
(21) SUB - TOTAL	\$ 8,751,978	\$ 76,024,782	\$ 4,572,547	\$ 670,624	\$ 2,820,645	\$ 22,261	\$ 92,862,837	\$ 88,384,576
(22) Services, contracts and supplies	\$ 760,402	\$ 9,236,121	\$ 5,752,395	\$ 9,951,917	\$ 1,490,454	\$ 19,832	\$ 27,211,121	\$ 27,686,176
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 3,421,772	\$ -	\$ -	\$ 15,638	\$ 3,437,410	\$ 3,489,546
(24) Amortization of unsupported tangible capital assets	\$ 35,641	\$ 704,610	\$ 43,427	\$ 25,480	\$ 99,605	\$ -	\$ 908,763	\$ 859,379
(25) Supported interest on capital debt	\$ -	\$ -	\$ 1,787	\$ -	\$ -	\$ -	\$ 1,787	\$ 2,280
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ 9,548,021	\$ 85,965,513	\$ 13,791,928	\$ 10,648,021	\$ 4,410,704	\$ 57,731	\$ 124,421,918	\$ 120,421,957
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ 176,336	\$ 1,433,823	\$ -	\$ 43,330	\$ -	\$ -	\$ 1,653,489	\$ (6,341)

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES**  
for the Year Ended August 31, 2016 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2016 TOTAL Operations and Maintenance	2015 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 2,541,965	\$ 765,201	\$ -	\$ -	\$ 286,253			\$ 3,593,419	\$ 3,247,357
Uncertificated benefits	\$ 683,530	\$ 227,793	\$ -	\$ -	\$ 67,805			\$ 979,128	\$ 985,692
Sub-total Remuneration	\$ 3,225,495	\$ 992,994	\$ -	\$ -	\$ 354,058			\$ 4,572,547	\$ 4,233,049
Supplies and services	\$ 212,632	\$ 1,538,563	\$ -	\$ 2,165,439	\$ -			\$ 3,916,634	\$ 4,467,692
Electricity			\$ 938,211					\$ 938,211	\$ 913,668
Natural gas/heating fuel			\$ 476,373					\$ 476,373	\$ 532,283
Sewer and water			\$ 104,101					\$ 104,101	\$ 96,642
Telecommunications			\$ 10,212					\$ 10,212	\$ 10,306
Insurance					\$ 306,864			\$ 306,864	\$ 363,195
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 3,421,772	\$ 3,421,772	\$ 3,473,908
Unsupported						\$ 43,427		\$ 43,427	\$ 42,089
Total Amortization						\$ 43,427	\$ 3,421,772	\$ 3,465,199	\$ 3,515,997
Interest on capital debt									
Supported							\$ 1,787	\$ 1,787	\$ 2,280
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 3,438,127</b>	<b>\$ 2,531,557</b>	<b>\$ 1,528,897</b>	<b>\$ 2,165,439</b>	<b>\$ 660,922</b>	<b>\$ 43,427</b>	<b>\$ 3,423,559</b>	<b>\$ 13,791,928</b>	<b>\$ 14,135,112</b>

  

<b>SQUARE METRES</b>									
School buildings								116,427.1	109,338.3
Non school buildings								9,708.3	10,873.7

**Note:**

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

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

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

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

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

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

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

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

<b>Cash &amp; Cash Equivalents</b>	<b>2016</b>			<b>2015</b>
	<b>Average Effective (Market) Yield</b>	<b>Cost</b>	<b>Amortized Cost</b>	<b>Amortized Cost</b>
Cash		\$ 13,926,760	\$ 13,926,760	\$ 11,646,225
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	<u>0.00%</u>	<u>\$ 13,926,760</u>	<u>\$ 13,926,760</u>	<u>\$ 11,646,225</u>

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

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

	<b>2016</b>	<b>2015</b>
Under 1 year	100.0%	100.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

**SCHEDULE 6**School Jurisdiction Code: **2305**

**SCHEDULE OF CAPITAL ASSETS**  
**for the Year Ended August 31, 2016 (in dollars)**

<b>Tangible Capital Assets</b>	<b>2016</b>							<b>2015</b>
	<b>Land</b>	<b>Construction In Progress</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Computer Hardware &amp; Software</b>	<b>Total</b>	<b>Total</b>
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	3-5 Years		
<b>Historical cost</b>								
Beginning of year	\$ 4,167,683	\$ 1,905,492	\$ 133,735,369	\$ 9,235,248	\$ 1,227,504	\$ 3,149,310	\$ 153,420,606	\$ 148,828,945
Prior period adjustments	-	-	-	4,698	-	-	4,698	-
Additions	-	-	19,329,192	1,906,345	39,154	185,397	21,460,088	4,625,167
Transfers in (out)	-	(1,905,492)	1,905,492	-	-	-	-	-
Less disposals including write-offs	-	-	-	(58,816)	-	-	(58,816)	(33,506)
	\$ 4,167,683	\$ -	\$ 154,970,053	\$ 11,087,475	\$ 1,266,658	\$ 3,334,707	\$ 174,826,576	\$ 153,420,606
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ -	\$ 56,276,546	\$ 7,578,834	\$ 1,166,296	\$ 1,808,543	\$ 66,830,219	\$ 62,514,800
Prior period adjustments	-	-	-	4,698	-	-	4,698	-
Amortization	-	-	3,382,586	529,277	46,247	388,063	4,346,173	4,348,924
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(58,816)	-	-	(58,816)	(33,506)
	\$ -	\$ -	\$ 59,659,132	\$ 8,053,993	\$ 1,212,543	\$ 2,196,606	\$ 71,122,274	\$ 66,830,218
<b>Net Book Value at August 31, 2016</b>	<b>\$ 4,167,683</b>	<b>\$ -</b>	<b>\$ 95,310,921</b>	<b>\$ 3,033,482</b>	<b>\$ 54,115</b>	<b>\$ 1,138,101</b>	<b>\$ 103,704,302</b>	
<b>Net Book Value at August 31, 2015</b>	<b>\$ 4,167,683</b>	<b>\$ 1,905,492</b>	<b>\$ 77,458,823</b>	<b>\$ 1,656,414</b>	<b>\$ 61,208</b>	<b>\$ 1,340,767</b>		<b>\$ 86,590,387</b>

	<b>2016</b>	<b>2015</b>
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

**SCHEDULE 7**

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

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other Paid</b>	<b>Other Accrued Unpaid Benefits</b>	<b>Expenses</b>
Chair - Eric Cameron	1.00	\$42,273	\$5,794	\$0			\$0	\$9,678
Ward 1 - Ron Heinrichs	1.00	\$36,521	\$5,425	\$0			\$0	\$19,758
Ward 2 - Kathleen Linder	1.00	\$36,479	\$5,537	\$0			\$0	\$8,268
Ward 3 - Richard Gilchrist	1.00	\$34,438	\$732	\$0			\$0	\$11,097
Ward 4 - Sally Kucher-Johnson	1.00	\$35,409	\$5,544	\$0			\$0	\$12,361
Ward 5 - Dorcas Kilduff	1.00	\$38,932	\$5,610	\$0			\$0	\$11,486
Ward 6 - Elsie Kinsey	1.00	\$29,165	\$5,354	\$0			\$0	\$8,785
	-	\$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>Subtotal</b>	<b>7.00</b>	<b>\$253,217</b>	<b>\$33,996</b>	<b>\$0</b>			<b>\$0</b>	<b>\$81,433</b>
Timothy Monds, Superintendent	1.00	\$252,928	\$67,276	\$0	\$0	\$0	\$0	\$19,980
Claire Jonsson, Secretary Treasurer	1.00	\$202,120	\$57,999	\$0	\$0	\$0	\$0	\$10,506
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	586.20	\$55,556,334	\$12,878,069	\$0	\$0	\$9,418	\$0	
Non-certificated - other	380.80	\$18,694,161	\$4,857,319	\$0	\$0	\$0	\$0	
<b>TOTALS</b>	<b>976.00</b>	<b>\$74,958,760</b>	<b>\$17,894,659</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,418</b>	<b>\$0</b>	<b>\$111,919</b>



## **1. AUTHORITY AND PURPOSE**

Parkland School Division No. 70 (the Division) delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Division receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The Division is limited on certain funding allocations and administration expenses.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with the CPA Canadian public sector accounting standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

### **a) Cash and Cash Equivalents**

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing. At August 31, 2016 the Division did not hold any short-term investments.

### **b) Accounts Receivable**

Accounts receivable are shown net of allowance for doubtful accounts.

### **c) Tangible Capital Assets**

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include land, site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.

- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the Division's rate for incremental borrowing or the interest rate implicit in the lease. At August 31, 2016 the Division did not have any capital leases.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	10% to 20%

#### **d) Deferred Revenue**

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per Public Sector Accounting Standard (PSAS) PS 3200. These contributions are recognized by the Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended. Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.

Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

#### **e) Employee Future Benefits**

The Division provides certain post-employment benefits for certain employees pursuant to certain contracts and union agreements. The Division accrues its obligations under employee future benefit plans and expenses the related costs.

#### **f) Asset Retirement Obligations**

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations.

In addition the Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Alberta Government. The Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

#### **g) Operating and Capital Reserves**

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

#### **h) Revenue Recognition**

Revenues are recorded on an accrual basis. Instruction and support allocations are recognized in the year to which they relate. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

*Eligibility criteria* are criteria that the Division has to meet in order to receive certain contributions. *Stipulations* describe what the Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital Revenue.

#### **i) Expenses**

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

##### **Allocation of Costs**

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

#### **j) Pensions**

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

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to

the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2016, the amount contributed by the Government was \$6,865,163 (2015: \$6,536,304)

The Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$1,692,652 for the year ended August 31, 2016 (2015: \$1,532,270). At December 31, 2015, the Local Authorities Pension Plan reported a deficiency of \$923,416,000 (2014, a deficiency of \$2,454,636,000).

#### **k) Program Reporting**

The Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1-12 Instruction:** The provision of instructional services for grades 1 - 12 that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facility expenses.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education must be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants as well as a proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations.

#### **l) Trusts Under Administration**

The Division has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The Division holds title to the property for the benefit of the beneficiary.

Trusts under administration have been excluded from the financial reporting of the Division. Trust balances can be found in Note 13.

#### **m) Financial Instruments**

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

**n) Measurement Uncertainty**

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

**3. CASH AND CASH EQUIVALENTS**

At August 31, 2016 the division held cash of \$13,926,760 (2015: \$11,646,225).

**4. ACCOUNTS RECEIVABLE**

	<b>2016</b>		<b>2015</b>
Alberta Education - Grants	\$ 150,812	\$	1,067,628
Alberta Education - Capital	-		91,162
Alberta Education - Supported debentures	-		17,057
Other Alberta school jurisdictions	89,684		172,412
Alberta Health Services	150		-
Federal government	287,706		235,370
Municipalities	5,126		18,410
First nations	25,832		72,717
Other	210,699		349,184
<b>Total</b>	<b>\$ 770,009</b>	<b>\$</b>	<b>2,023,940</b>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2016</b>		<b>2015</b>
Alberta Education	\$ 29,702	\$	-
Alberta Capital Finance Authority (Interest on long-term debt)	-		1,787
Federal government	932,340		922,249
Salaries & benefit costs	1,155,774		1,456,071
Other trade payables and accrued liabilities	2,358,100		1,075,358
<b>Total</b>	<b>\$ 4,475,916</b>	<b>\$</b>	<b>3,455,465</b>

## 6. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2015	ADD: 2015/2016 Restricted Funds Received/ Receivable	DEDUCT: 2015/2016 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2015/2016 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2016
<b>Unexpended deferred operating revenue</b>					
<b>Alberta Education:</b>					
Infrastructure Maintenance Renewal	\$ 472,737	\$ 1,767,682	\$ (2,165,439)	\$ -	\$ 74,980
Other	-	114,979	-	-	114,979
<b>Other Deferred Revenue:</b>					
Fees	315,057	353,937	(315,058)	-	353,936
Donations	-	76,120	-	-	76,120
Other	65,447	71,471	(65,447)	-	71,471
<b>Total unexpended deferred operating revenue</b>	<b>\$ 853,241</b>	<b>\$ 2,384,189</b>	<b>\$ (2,545,944)</b>	<b>\$ -</b>	<b>\$ 691,486</b>
<b>Unexpended deferred capital revenue</b>	<b>800,429</b>	<b>19,467,867</b>	<b>(19,973,754)</b>	<b>-</b>	<b>294,542</b>
<b>Expended deferred capital revenue</b>	<b>80,355,280</b>	<b>19,973,754</b>	<b>(3,437,410)</b>	<b>-</b>	<b>96,891,624</b>
<b>Total</b>	<b>\$ 82,008,950</b>	<b>\$ 41,825,810</b>	<b>\$ (25,957,108)</b>	<b>\$ -</b>	<b>\$ 97,877,652</b>

## 7. ACCRUED BENEFIT OBLIGATION

The accrued benefit obligation is the obligation related to the Senior Executive Retirement Plan. The obligation has been determined through an actuarial report from Morneau Shepell dated September 30, 2016 using a measurement date of August 31, 2016.

	2016	2015
Opening Balance at the beginning of the period	\$ 167,700	\$ 106,700
Benefit cost for the year	97,500	61,000
<b>Closing Balance at the end of the period</b>	<b>\$ 265,200</b>	<b>\$ 167,700</b>

## 8. DEBT

	2016	2015
Supported debentures outstanding at August 31, 2015 had interest rates between 9.25% to 11.75% and were paid in full during the year.	\$ -	\$ 15,370

## 9. PREPAID EXPENSES

	2016	2015
Prepaid insurance	\$ 240,563	\$ -
Rent	8,537	8,537
Other	245,671	1,981
<b>Total</b>	<b>\$ 494,771</b>	<b>\$ 10,518</b>

## 10. ACCUMULATED SURPLUS:

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

	2016	2015
Unrestricted surplus	\$ 943,768	\$ 943,769
Operating reserves	4,238,080	3,435,815
Accumulated surplus from operations	5,181,848	4,379,584
Investment in tangible capital assets	6,812,675	6,235,103
Capital reserves	4,282,551	4,008,898
<b>Accumulated surplus</b>	<b>\$ 16,277,074</b>	<b>\$ 14,623,585</b>

Accumulated surplus from operations represents unspent funding available to support the Division's operations for the 2016-2017 year and includes a reserve from School Generated Funds (2016: \$893,846; 2015: \$1,001,630).

## 11. CONTRACTUAL OBLIGATIONS

At August 31, 2016 the Division has contractual obligations for the next four years for service providers totaling \$132,969. In addition the Division has contractual obligations for leased space for two High School Outreach programs.

	2016	2015
Building leases	\$ 176,288	\$ 309,320
Service providers	132,969	91,429
<b>Total</b>	<b>\$ 309,257</b>	<b>\$ 400,749</b>

Payments are estimated for each of the next five years as follows:

	Building Leases	Service Providers
2016-17	\$ 110,588	\$ 54,090
2017-18	65,700	35,265
2018-19	-	33,040
2019-20	-	10,574
2020-2021	-	-
Thereafter	-	-
<b>Total</b>	<b>\$ 176,288</b>	<b>\$ 132,969</b>

## 12. CONTINGENT LIABILITIES

The Division is a member of the Alberta School Boards Insurance Exchange. Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim for losses in excess of the funds held by the exchange. Any liability will be accounted for as a transaction in the year the losses are incurred.

## 13. TRUSTS UNDER ADMINISTRATION

These balances represent assets that are held in trust by the jurisdiction. They are not recorded on the statements of the Division.

	2016	2015
Scholarship trusts	\$ 22,077	\$ 31,163

## 14. SCHOOL GENERATED FUNDS

	2016	2015
School Generated Funds, Beginning of Year	\$ 1,001,630	\$ 1,068,782
Gross Receipts:		
Fees	934,386	745,731
Fundraising	642,263	1,140,331
Gifts and donations	193,842	17,534
Other sales and services	352,071	357,840
Total gross receipts	2,122,562	2,261,437
Total Related Expenses and Uses of Funds	643,250	612,031
Total Direct Costs Including Cost of Goods Sold to Raise Funds	1,587,096	1,716,557
School Generated Funds, End of Year	\$ 893,846	\$ 1,001,630
Balance included in Deferred Revenue*	\$ -	\$ -
Balance included in Accumulated Surplus (Operating Reserves)**	\$ 893,846	\$ 1,001,630

## 15. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	<u>Balances</u>		<u>Transactions</u>	
	Financial Assets (at cost or net realizable	Liabilities (at amortized cost)	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Education</b>				
Accounts receivable / Accounts payable	\$ 150,812	\$ 29,702	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	189,960	-	-
Unexpended deferred capital revenue	-	294,542	3,437,410	-
Expended deferred capital revenue	-	96,891,623	-	-
Grant revenue & expenses	-	-	107,484,077	-
ATRF payments made on behalf of district	-	-	6,865,163	-
<b>Other Alberta school jurisdictions</b>	89,684	-	107,904	25,865
<b>Treasury Board and Finance</b>	-	-	1,787	-
<b>Alberta Health Services</b>	150	-	-	1,293
<b>Post-secondary institutions</b>	-	-	-	13,185
<b>Other:</b>				
Alberta Local Authorities Pension Plan Corp.	-	89,863	-	1,692,652
<b>TOTAL 2015/2016</b>	<b>\$ 240,645</b>	<b>\$ 97,495,690</b>	<b>\$ 117,896,341</b>	<b>\$ 1,732,995</b>
<b>TOTAL 2014/2015</b>	<b>\$ 1,331,202</b>	<b>\$ 81,645,601</b>	<b>\$ 112,461,293</b>	<b>\$ 258,071</b>



## **16.ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

The jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

## **17.BUDGET AMOUNTS**

The budget was prepared by the Division and approved by the Board of Trustees on June 16, 2015. It is presented for information purposes only and has not been audited.

**SCHEDULE 8**

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

	Actual 2016	Actual 2015
<b>FEES</b>		
Transportation fees	\$782,619	\$781,993
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$744,760	\$624,355
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$272,820	\$328,352
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$16,875	\$35,777
Kindergarten & preschool	\$83,480	\$51,351
Extracurricular fees (sports teams and clubs)	\$306,929	\$550,388
Field trips (related to curriculum)	\$482,033	\$574,343
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$139,167	\$195,343
Other (describe)* Cultural Event Fees	\$64,227	\$42,984
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$2,892,910</b>	<b>\$3,184,886</b>

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2016	Actual 2015
Cafeteria sales, hot lunch, milk programs	\$19,220	\$22,110
Special events, graduation, tickets	\$199,761	\$166,892
Student travel (international, recognition trips, non-curricular)	\$270,710	\$35,496
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$106,148	\$47,656
Adult education revenue	\$10,990	\$7,730
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$606,829</b>	<b>\$279,884</b>

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2016 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	590	161	81		
Federally Funded Students	171				
REVENUES					
Alberta Education allocated funding	\$ 674,462	\$ 6,239,489	\$ 82,467	\$ 5,876,022	\$ 842,228
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 674,462</b>	<b>\$ 6,239,489</b>	<b>\$ 82,467</b>	<b>\$ 5,876,022</b>	<b>\$ 842,228</b>
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ 176,045	\$ 1,810,773	\$ 12,084	\$ 2,025,212	
Instructional non-certificated salaries & benefits	\$ 401,321	\$ 3,728,135	\$ 64,803	\$ 5,823,677	
<b>SUB TOTAL</b>	<b>\$ 577,366</b>	<b>\$ 5,538,908</b>	<b>\$ 76,887</b>	<b>\$ 7,848,889</b>	
Supplies, contracts and services	\$ 102,691	\$ 395,435	\$ 1,762	\$ 416,679	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ 5,000	\$ 154,908	\$ -	\$ -	
Other (please describe)	\$ -	\$ 150,238	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	<b>\$ 685,057</b>	<b>\$ 6,239,489</b>	<b>\$ 78,649</b>	<b>\$ 8,265,568</b>	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	<b>\$ (10,595)</b>	<b>\$ -</b>	<b>\$ 3,818</b>	<b>\$ (2,389,546)</b>	

**SCHEDULE 10**

<b>UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES</b> <b>for the Year Ended August 31, 2016 (in dollars)</b>								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 385,399	\$ 46,084	\$ -	\$ 431,483	\$ 48,028	\$ 30,963	\$ -	\$ 510,474
Educational administration (excluding superintendent)	\$ 360,758	\$ 37,663	\$ -	\$ 398,421	\$ 118,116	\$ 30,057	\$ -	\$ 546,594
Business administration	\$ 761,705	\$ 769,840	\$ -	\$ 1,531,545	\$ 334,855	\$ 509,806	\$ -	\$ 2,376,206
Board governance (Board of Trustees)	\$ 328,179	\$ 323,513	\$ -	\$ 651,692	\$ -	\$ -	\$ -	\$ 651,692
Information technology	\$ 55,692	\$ -	\$ -	\$ 55,692	\$ 1,314,225	\$ 481,636	\$ -	\$ 1,851,553
Human resources	\$ 332,770	\$ 66,955	\$ -	\$ 399,725	\$ -	\$ 13,627	\$ -	\$ 413,352
Central purchasing, communications, marketing	\$ 183,366	\$ 32,809	\$ -	\$ 216,175	\$ 110,184	\$ 16,404	\$ -	\$ 342,763
Payroll	\$ 261,672	\$ 49,213	\$ -	\$ 310,885	\$ -	\$ -	\$ -	\$ 310,885
Administration - insurance			\$ 148,810	\$ 148,810			\$ -	\$ 148,810
Administration - amortization			\$ 99,605	\$ 99,605			\$ -	\$ 99,605
Administration - other (admin building, interest)			\$ -	\$ -			\$ -	\$ -
Central Instruction supports and services	\$ 151,104	\$ 15,567	\$ -	\$ 166,671	\$ 10,198,697	\$ 1,197,132	\$ -	\$ 11,562,500
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 2,820,645</b>	<b>\$ 1,341,644</b>	<b>\$ 248,415</b>	<b>\$ 4,410,704</b>	<b>\$ 12,124,105</b>	<b>\$ 2,279,625</b>	<b>\$ -</b>	<b>\$ 18,814,434</b>