

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

Elk Island Catholic Separate Regional Division No. 41

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Elk Island Catholic Separate Regional Division No. 41 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 audit financial statements with management in detail and approved the financial statements for release.

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Ms. Justine Marie Wright
Name


Signature

SUPERINTENDENT

Mr. Michael Hauptman
Name


Signature

SECRETARY-TREASURER OR TREASURER

Mr. Ryan Stierman
Name


Signature

November 30, 2016
Board-approved Release Date

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

To the Board of Trustees of Elk Island Catholic Separate Regional Division No. 41:

We have audited the accompanying financial statements of Elk Island Catholic Separate Regional Division No. 41, which comprise the statement of financial position as at August 31, 2016, and the statements of operations, cash flows, changes in net debt, remeasurement gains and losses, and changes in accumulated surplus for the year the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have 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 of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Elk Island Catholic Separate Regional Division No. 41 as at August 31, 2016 and results of its operations, changes in its net debt, changes in accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Hawkings Epp Dumont LLP

November 30, 2016
Edmonton, Alberta

Hawkings Epp Dumont LLP
Chartered Accountants

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

		2016	2015 Restated - Note 17
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 8,770,275	\$ 7,480,874
Accounts receivable (net after allowances)	(Note 3)	\$ 3,061,206	\$ 4,181,544
Portfolio investments		\$ -	\$ -
Other financial assets		\$ 600	\$ 362
Total financial assets		\$ 11,832,081	\$ 11,662,780
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 5,034,122	\$ 7,308,137
Deferred revenue	(Note 5)	\$ 69,194,176	\$ 62,077,510
Employee future benefit liabilities	(Note 6)	\$ 131,536	\$ 145,935
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 7)		
Supported: Debentures and other supported debt		\$ 122,999	\$ 174,599
Unsupported: Debentures and capital loans		\$ 3,743,060	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 78,225,893	\$ 69,706,181
Net debt		\$ (66,393,812)	\$ (58,043,401)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 1,656,711	\$ 1,656,711
Construction in progress		\$ 2,374,215	\$ 5,029
Buildings	\$ 122,408,664		
Less: Accumulated amortization	\$ (54,302,593)	\$ 68,106,071	\$ 61,808,090
Equipment	\$ 9,297,266		
Less: Accumulated amortization	\$ (7,384,768)	\$ 1,912,498	\$ 1,857,119
Vehicles	\$ 4,600,556		
Less: Accumulated amortization	\$ (3,085,278)	\$ 1,515,278	\$ 1,560,353
Computer Equipment	\$ 325,768		
Less: Accumulated amortization	\$ (196,101)	\$ 129,667	\$ 195,034
Total tangible capital assets		\$ 75,694,440	\$ 67,082,336
Prepaid expenses		\$ 595,372	\$ 419,522
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 76,289,812	\$ 67,501,858
Accumulated surplus	(Schedule 1; Note 8)	\$ 9,896,000	\$ 9,458,457
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 9,896,000	\$ 9,458,457
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 9,896,000	\$ 9,458,457
Contractual obligations	(Note 9)		
Contingent liabilities	(Note 10)		

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

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

	Budget 2016 (Note 15)	Actual 2016	Actual 2015
REVENUES			
Alberta Education	\$ 56,720,944	\$ 57,639,396	\$ 55,951,363
Other - Government of Alberta	\$ -	\$ 13,456	\$ 17,931
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ 9,465,421	\$ 10,356,571	\$ 9,686,771
Fees (Schedule 8)	\$ 2,625,634	\$ 3,300,710	\$ 2,861,192
Other sales and services	\$ 1,053,875	\$ 1,484,128	\$ 1,692,600
Investment income	\$ 64,207	\$ 77,745	\$ 48,975
Gifts and donations	\$ 140,765	\$ 132,025	\$ 92,693
Rental of facilities	\$ 180,000	\$ 212,232	\$ 164,599
Fundraising	\$ 220,519	\$ 293,732	\$ 216,846
Gains on disposal of capital assets	\$ -	\$ 2,100	\$ 2,900
Other revenue	\$ 13,148	\$ -	\$ -
Total revenues	\$ 70,484,513	\$ 73,512,095	\$ 70,735,870
EXPENSES			
Instruction - ECS	\$ 2,352,138	\$ 4,053,868	\$ 3,201,444
Instruction - Grades 1 - 12	\$ 53,167,739	\$ 52,957,337	\$ 50,563,211
Plant operations and maintenance	\$ 8,881,243	\$ 9,428,424	\$ 9,475,312
Transportation	\$ 3,382,758	\$ 3,560,022	\$ 3,510,267
Board & system administration	\$ 2,319,125	\$ 2,369,687	\$ 2,452,143
External services	\$ 381,510	\$ 705,214	\$ 722,931
Total expenses	\$ 70,484,513	\$ 73,074,552	\$ 69,925,308
Operating surplus (deficit)	\$ 0	\$ 437,543	\$ 810,562

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

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

	2016	2015
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 437,543	\$ 810,562
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,064,302	\$ 3,784,928
Gains on disposal of tangible capital assets	\$ (2,100)	\$ (2,900)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (3,442,608)	\$ (3,150,600)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,120,338	\$ (1,685,377)
Prepays	\$ (175,850)	\$ (201,564)
Other financial assets	\$ (238)	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (2,274,015)	\$ 4,313,267
Deferred revenue (excluding EDCR)	\$ 10,559,274	\$ 10,642,682
Employee future benefit liabilities	\$ (14,399)	\$ (6,459)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 10,272,247	\$ 14,504,539
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (11,666,794)	\$ (10,747,568)
Equipment	\$ (703,015)	\$ (723,423)
Vehicles	\$ (306,597)	\$ (121,945)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 2,100	\$ 2,900
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (12,674,306)	\$ (11,590,036)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ 3,814,690	\$ -
Repayment of debt	\$ (123,230)	\$ (62,593)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ 3,691,460	\$ (62,593)
Increase (decrease) in cash and cash equivalents	\$ 1,289,401	\$ 2,851,910
Cash and cash equivalents, at beginning of year	\$ 7,480,874	\$ 4,628,964
Cash and cash equivalents, at end of year	\$ 8,770,275	\$ 7,480,874

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)

	Budget 2016	2016	2015
Operating surplus (deficit)	\$ 0	\$ 437,543	\$ 810,562
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ -	\$ (12,676,406)	\$ (11,592,936)
Amortization of tangible capital assets	\$ 3,656,732	\$ 4,064,302	\$ 3,784,928
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 3,656,732	\$ (8,612,104)	\$ (7,808,008)
Changes in:			
Prepaid expenses	\$ -	\$ (175,850)	\$ (201,564)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 3,656,732	\$ (8,350,411)	\$ (7,199,010)
Net debt at beginning of year	\$ (58,043,401)	\$ (58,043,401)	\$ (50,844,391)
Net debt at end of year	\$ (54,386,669)	\$ (66,393,812)	\$ (58,043,401)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

	2016	2015
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
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	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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
Balance at August 31, 2015	\$ 9,458,442	\$ -	\$ 9,458,442	\$ 6,192,410	\$ -	\$ -	\$ 3,122,000	\$ 144,032
Prior period adjustments:								
Adjust for additional supported capital funding	\$ -	\$ -	\$ -	\$ (16,922)	\$ -	\$ 16,922	\$ -	\$ -
Adjustment	\$ 15	\$ -	\$ 15	\$ (15)	\$ -	\$ 13	\$ 17	\$ -
Adjusted Balance, August 31, 2015	\$ 9,458,457	\$ -	\$ 9,458,457	\$ 6,175,473	\$ -	\$ 16,935	\$ 3,122,017	\$ 144,032
Operating surplus (deficit)	\$ 437,543		\$ 437,543			\$ 437,543		
Board funded tangible capital asset additions				\$ 3,686,882		\$ -	\$ (38,813)	\$ (3,648,069)
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	\$ -			\$ (4,064,302)		\$ 4,064,302		
Capital revenue recognized	\$ -			\$ 3,442,608		\$ (3,442,608)		
Debt principal repayments (unsupported)	\$ -			\$ 71,630		\$ (71,630)		
Additional capital debt or capital leases	\$ -			\$ (3,814,690)		\$ 3,814,690		
Net transfers to operating reserves	\$ -					\$ (819,260)	\$ 819,260	
Net transfers from operating reserves	\$ -					\$ 77,630	\$ (77,630)	
Net transfers to capital reserves	\$ -					\$ (4,060,667)		\$ 4,060,667
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Loan	\$ -		\$ -	\$ -	\$ -	\$ -	\$ (36,140)	\$ 36,140
Balance at August 31, 2016	\$ 9,896,000	\$ -	\$ 9,896,000	\$ 5,497,601	\$ -	\$ 16,935	\$ 3,788,694	\$ 592,770

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
Balance at August 31, 2015	\$ 2,308,662	\$ 12,000	\$ 242,216	\$ 132,032	\$ 571,122	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
Adjust for additional supported capital funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustment	\$ -	\$ -	\$ 17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 2,308,662	\$ 12,000	\$ 242,233	\$ 132,032	\$ 571,122	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ (30,480)	\$ -	\$ -	\$ (3,371,952)	\$ (8,333)			\$ (276,117)		
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	\$ 707,909		\$ 22,982		\$ 88,369		\$ -		\$ -	
Net transfers from operating reserves	\$ (6,000)		\$ (71,630)		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ 6,000		\$ 3,814,690	\$ -		\$ 239,977		\$ -	
Net transfers from capital reserves		\$ -		\$ -	\$ -		\$ -		\$ -	
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve Loan	\$ (36,140)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,140	\$ -	\$ -
Balance at August 31, 2016	\$ 2,943,951	\$ 18,000	\$ 193,585	\$ 574,770	\$ 651,158	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE 2

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ 60,884,933
Prior period adjustments	\$ (16,922)	\$ -	\$ -	\$ -	\$ 21,922
Adjusted balance, August 31, 2015	\$ (16,922)	\$ -	\$ -	\$ -	\$ 60,906,855
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 10,292,442				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 301,981				
Other sources: Parent Councils	\$ -			\$ 37,762	
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	\$ (8,951,762)	\$ -	\$ -	\$ (37,762)	\$ 8,989,524
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,442,608
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2016	\$ 1,625,739	\$ -	\$ -	\$ -	\$ 66,453,771
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)				\$ 1,625,739	

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	\$ 4,053,868	\$ 38,878,164	\$ 8,990,855	\$ 3,128,143	\$ 2,356,429	\$ 231,937	\$ 57,639,396	\$ 55,951,363
(2) Other - Government of Alberta	\$ -	\$ -	\$ 13,456	\$ -	\$ -	\$ -	\$ 13,456	\$ 17,931
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ 10,356,571	\$ -	\$ -	\$ -	\$ -	\$ 10,356,571	\$ 9,686,771
(8) Fees	\$ -	\$ 3,080,568	\$ -	\$ 220,142	\$ -	\$ -	\$ 3,300,710	\$ 2,861,192
(9) Other sales and services	\$ -	\$ 798,434	\$ 7,993	\$ 194,529	\$ 9,895	\$ 473,277	\$ 1,484,128	\$ 1,692,600
(10) Investment income	\$ -	\$ 44,556	\$ 25,622	\$ 4,204	\$ 3,363	\$ -	\$ 77,745	\$ 48,975
(11) Gifts and donations	\$ -	\$ 132,025	\$ -	\$ -	\$ -	\$ -	\$ 132,025	\$ 92,693
(12) Rental of facilities	\$ -	\$ -	\$ 206,232	\$ 6,000	\$ -	\$ -	\$ 212,232	\$ 164,599
(13) Fundraising	\$ -	\$ 293,732	\$ -	\$ -	\$ -	\$ -	\$ 293,732	\$ 216,846
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 2,100	\$ -	\$ -	\$ -	\$ 2,100	\$ 2,900
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 4,053,868	\$ 53,584,050	\$ 9,246,258	\$ 3,553,018	\$ 2,369,687	\$ 705,214	\$ 73,512,095	\$ 70,735,870
EXPENSES								
(17) Certificated salaries	\$ 1,706,464	\$ 31,600,618	\$ -	\$ -	\$ 514,642	\$ 414,015	\$ 34,235,739	\$ 32,658,086
(18) Certificated benefits	\$ 1,236,733	\$ 6,601,434	\$ -	\$ -	\$ 120,510	\$ 69,106	\$ 8,027,783	\$ 7,804,791
(19) Non-certificated salaries and wages	\$ 545,293	\$ 5,822,064	\$ 2,294,245	\$ 1,138,160	\$ 1,024,467	\$ 163,958	\$ 10,988,187	\$ 10,300,557
(20) Non-certificated benefits	\$ 251,672	\$ 1,281,538	\$ 514,082	\$ 185,232	\$ 223,024	\$ 25,373	\$ 2,480,921	\$ 2,312,174
(21) SUB - TOTAL	\$ 3,740,162	\$ 45,305,654	\$ 2,808,327	\$ 1,323,392	\$ 1,882,643	\$ 672,452	\$ 55,732,630	\$ 53,075,608
(22) Services, contracts and supplies	\$ 313,706	\$ 7,039,268	\$ 3,391,146	\$ 1,989,649	\$ 398,675	\$ 32,762	\$ 13,165,206	\$ 13,046,841
(23) Amortization of supported tangible capital assets	\$ -	\$ 531,219	\$ 2,911,389	\$ -	\$ -	\$ -	\$ 3,442,608	\$ 3,150,600
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 81,196	\$ 205,148	\$ 246,981	\$ 88,369	\$ -	\$ 621,694	\$ 634,328
(25) Supported interest on capital debt	\$ -	\$ -	\$ 13,456	\$ -	\$ -	\$ -	\$ 13,456	\$ 17,931
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ 98,958	\$ -	\$ -	\$ -	\$ 98,958	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 4,053,868	\$ 52,957,337	\$ 9,428,424	\$ 3,560,022	\$ 2,369,687	\$ 705,214	\$ 73,074,552	\$ 69,925,308
(31) OPERATING SURPLUS (DEFICIT)	\$ -	\$ 626,713	\$ (182,166)	\$ (7,004)	\$ -	\$ -	\$ 437,543	\$ 810,562

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	\$ 1,668,784	\$ 405,391	\$ -	\$ -	\$ 220,070			\$ 2,294,245	\$ 2,179,058
Uncertificated benefits	\$ 374,483	\$ 89,686	\$ -	\$ -	\$ 49,913			\$ 514,082	\$ 493,871
Sub-total Remuneration	\$ 2,043,267	\$ 495,077	\$ -	\$ -	\$ 269,983			\$ 2,808,327	\$ 2,672,929
Supplies and services	\$ 169,373	\$ 745,768	\$ -	\$ 1,166,437	\$ -			\$ 2,081,578	\$ 2,779,312
Electricity			\$ 726,704					\$ 726,704	\$ 615,695
Natural gas/heating fuel			\$ 273,346					\$ 273,346	\$ 263,802
Sewer and water			\$ 120,387					\$ 120,387	\$ 107,166
Telecommunications			\$ 22,033					\$ 22,033	\$ 10,860
Insurance					\$ 167,098			\$ 167,098	\$ 156,649
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 2,911,389	\$ 2,911,389	\$ 2,709,266
Unsupported						\$ 205,148		\$ 205,148	\$ 141,702
Total Amortization						\$ 205,148	\$ 2,911,389	\$ 3,116,537	\$ 2,850,968
Interest on capital debt									
Supported							\$ 13,456	\$ 13,456	\$ 17,931
Unsupported						\$ 98,958		\$ 98,958	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 2,212,640	\$ 1,240,845	\$ 1,142,470	\$ 1,166,437	\$ 437,081	\$ 304,106	\$ 2,924,845	\$ 9,428,424	\$ 9,475,312
SQUARE METRES									
School buildings								82,664.1	82,689.4
Non school buildings								2,136.1	2,136.1

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 5

School Jurisdiction Code: 46

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

Cash & Cash Equivalents	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 8,770,275	\$ 8,770,275	\$ 7,480,874
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 8,770,275	\$ 8,770,275	\$ 7,480,874

Portfolio Investments	2016			2015	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
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	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	0.00%	\$ -	\$ -	\$ -	\$ -

See Note 5 for additional detail.

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

	2016	2015
Under 1 year	100.0%	100.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6

School Jurisdiction Code: 46

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

Tangible Capital Assets	2016						2015	
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	
Estimated useful life								
Historical cost								
Beginning of year	\$ 1,656,711	\$ 5,029	\$ 112,954,637	\$ 8,750,656	\$ 4,427,476	\$ 325,768	\$ 128,120,277	\$116,832,321.00
Prior period adjustments	-	-	156,420	(156,405)	-	-	15	-
Additions	-	2,369,186	9,297,607	703,015	306,597	-	12,676,405	11,592,940
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(133,517)	-	(133,517)	(304,984)
	\$ 1,656,711	\$ 2,374,215	\$ 122,408,664	\$ 9,297,266	\$ 4,600,556	\$ 325,768	\$ 140,663,180	\$ 128,120,277
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 51,302,967	\$ 6,737,132	\$ 2,867,123	\$ 130,734	\$ 61,037,956	\$57,558,008.00
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	2,999,626	647,636	351,672	65,367	4,064,301	3,784,932
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(133,517)	-	(133,517)	(304,984)
	\$ -	\$ -	\$ 54,302,593	\$ 7,384,768	\$ 3,085,278	\$ 196,101	\$ 64,968,740	\$ 61,037,956
Net Book Value at August 31, 2016	\$ 1,656,711	\$ 2,374,215	\$ 68,106,071	\$ 1,912,498	\$ 1,515,278	\$ 129,667	\$ 75,694,440	
Net Book Value at August 31, 2015	\$ 1,656,711	\$ 5,029	\$ 61,808,090	\$ 1,857,119	\$ 1,560,353	\$ 195,034		\$ 67,082,336

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

SCHEDULE 7

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Justine Wright, Board Chair	1.00	\$20,934	\$522	\$0			\$0	\$4,879
Jean Boisvert, Board Vice Chair	1.00	\$18,085	\$20	\$0			\$0	\$4,454
Ron Baier, Trustee	1.00	\$16,232	\$1,669	\$0			\$0	\$6,172
Michelle Szott, Trustee	1.00	\$16,232	\$429	\$0			\$0	\$4,834
Charlene Melenka, Trustee	1.00	\$16,232	\$3,601	\$0			\$0	\$5,084
Tony Sykora, Trustee	1.00	\$16,232	\$2,359	\$0			\$0	\$3,386
Ted Paszek, Trustee	1.00	\$16,232	\$2,418	\$0			\$0	\$4,297
	-	\$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
Subtotal	7.00	\$120,179	\$11,018	\$0			\$0	\$33,106
Michael Hauptman, Superintendent	1.00	\$231,000	\$43,475	\$0	\$0	\$0	\$0	\$7,843
Ryan Stierman, Secretary Treasurer	1.00	\$207,900	\$43,880	\$0	\$0	\$0	\$0	\$2,410
		\$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	347.88	\$34,004,739	\$7,984,308	\$0	\$0	\$0	\$0	
Non-certificated - other	223.97	\$10,660,108	\$2,426,023	\$0	\$0	\$0	\$0	
TOTALS	580.85	\$45,223,926	\$10,508,704	\$0	\$0	\$0	\$0	\$43,359

Elk Island Catholic Separate Regional Division No. 41
Notes to the Financial Statements
For Year ended August 31, 2016

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction 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 School Jurisdiction is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of Consolidation

Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

d) Portfolio Investments

The School District does not have investments in GIC's, term deposits, bonds, equity instruments and mutual funds that have no maturity dates or a maturity of greater than three months.

GIC's, term deposits and investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up

to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold. Detailed information regarding portfolio investments is disclosed in the Schedule of Cash, Cash Equivalents, and Portfolio Investments.

e) 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 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 School District 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 (EDCR).
- 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 School District's rate for incremental borrowing or the interest rate implicit in the lease.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, beginning the year after acquisition, 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%

f) 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 School District 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 (UDCR) 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 (EDCR) 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.

g) Employee Future Benefits

The School District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, non-vested & accumulating sick leave, early retirement, retirement/severance, job-training and counseling, post-employment benefit continuation, death benefits, and various qualifying compensated absences, early retirement, retirement/severance, death benefit and vested sick leave. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

h) 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. The School Division has included its estimated asset retirement obligation of \$0 (2015 - \$0) in the Statement of Financial Position as Other Liabilities representing \$0 (2015 - \$0) obligations.

The School Division has determined that it has no conditional asset retirement obligations relating to certain school sites. These obligations would be discharged in the future by funding through the Government of Alberta. The School 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.

i) 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.

j) 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 School District has to meet in order to receive certain contributions. *Stipulations* describe what the School District 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 that the stipulations are met, except to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *PS 3200*. Such liabilities are recorded as deferred revenue.

k) 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.

l) Pensions

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

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 School 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 \$4,079,456 (2015 \$3,973,473).

The school board 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 \$ 1,025,254 for the year ended August 31, 2016 (2015 \$975,408). At December 31, 2015, the Local Authorities Pension Plan reported a deficiency of \$923,416,000 (2014, a deficiency of \$2,454,636,000).

m) 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.

n) Scholarship Endowment Funds

Contributions and income pertaining to scholarship endowment funds are recognized on the Statement of Operations and must be held in perpetuity in accordance with the agreement with the donor. The residual may be disbursed for the purposes of the scholarship. Undisbursed funds earned on endowment principal are recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met.

Unrealized gains and losses associated with the endowment are recorded in the Statement of Remeasurement Gains and Losses.

o) Trusts Under Administration

The School 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. A summary of Trust balances is listed in Note 11.

p) 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 School District recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

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

q) Measurement Uncertainty

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

3. ACCOUNTS RECEIVABLE

	2016			2015
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 361,699	\$ -	\$ 361,699	\$ -
Alberta Education - Capital	301,981	-	301,981	1,689,340
Alberta Education - Ft. Mac Financial Assistance	18,137	-	18,137	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance - Supported debenture principal	122,999	-	122,999	174,599
Treasury Board and Finance - Accrued interest on supported debentures	9,431	-	9,431	12,189
Federal government	206,766	-	206,766	383,040
Municipalities	1,756,390	-	1,756,390	1,684,635
Other	283,803	-	283,803	237,741
Total	\$3,061,206	\$ -	\$3,061,206	\$4,181,544

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Alberta Education	\$ 2,079,134	\$ 2,010,868
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	9,431	12,189
Alberta Capital Finance Authority (Interest on long-term debt - Unsupported)	47,105	-
Federal government	623,572	12,185
Accrued vacation pay liability	305,688	307,840
Other salaries & benefit costs	38,980	20,242
Other trade payables and accrued liabilities	1,930,212	4,944,813
Total	\$ 5,034,122	\$ 7,308,137

5. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2015	ADD: 2015/2016 Restricted Funds Received	DEDUCT: 2015/2016 Restricted Fund Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2016
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal	494,486	1,151,306	(1,166,437)	479,355
Student Learning Assessment	2,814	2,742	(2,814)	2,742
Other Government of Alberta:				
Other - U of A Wellness	5,472	25,000	(30,472)	-
Other - Apple Schools	2,011	-	(2,011)	-
Other Deferred Revenue:				
School Generated Funds	459,456	3,835,564	(3,946,654)	348,366
International Student Fees	42,599	102,813	(42,599)	102,813
Transportation Fees	180,739	203,292	(220,142)	163,889
REAL Foundation	-	17,500	-	17,500
Total unexpended deferred operating revenue	\$ 1,187,577	\$ 5,338,217	\$ (5,411,129)	\$ 1,114,665
Unexpended deferred capital revenue (Schedule 2)	(16,922)	10,632,185	(8,989,524)	1,625,739
Expended deferred capital revenue (Schedule 2)	60,906,855	8,989,525	(3,442,608)	66,453,772
Total	\$62,077,510	\$ 24,959,927	\$ (17,843,261)	\$69,194,176

6. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2016	2015
Retirement benefits	131,536	145,935
Total	\$ 131,536	\$ 145,935

7. DEBT

	2016	2015
Supported debentures outstanding at August 31, 2016 have interest rates between 8.35% to 9.63%. The terms of the debentures range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 122,999	\$ 174,599
Unsupported debentures outstanding at August 31, 2016 have interest rates of 2.718%. The terms of the debenture is 20 years, payments made semi-annually by the school division	3,743,060	-
Total	\$3,866,059	\$ 174,599

Debenture Debt – Supported

Debentures are fully supported by Alberta Finance. Payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2016-2017	\$ 51,600	\$ 11,459	\$ 63,059
2017-2018	45,600	6,705	52,305
2018-2019	12,900	2,483	15,383
2019-2020	12,899	1,242	14,141
2020-2021	-	-	-
2021 to maturity	-	-	-
Total	\$ 122,999	\$ 21,889	\$ 144,888

Unsupported Debentures

Payments on unsupported debentures due over the next five years and beyond are as follows:

	Principal	Interest	Total
2016-2017	\$ 147,825	\$ 100,739	\$ 248,564
2017-2018	151,871	96,693	248,564
2018-2019	156,027	92,538	248,564
2019-2020	160,296	88,268	248,564
2020-2021	164,683	83,882	248,564
2021 to maturity	2,962,359	641,820	3,604,179
Total	\$3,743,060	\$1,103,939	\$4,847,000

8. 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	\$ 16,935	\$ 16,935
Operating reserves	3,788,694	3,122,002
Accumulated surplus (deficit) from operations	3,805,629	3,138,937
Investment in tangible capital assets	5,497,601	6,175,488
Capital reserves	592,770	144,032
Accumulated surplus	\$ 9,896,000	\$ 9,458,457

Accumulated surplus (deficit) from operations (ASO) include funds of \$700,907 that are raised at school level and are not available to spend at board level

	2016	2015
Accumulated surplus from operations	\$ 3,805,629	\$ 3,138,937
Deduct: School generated funds included in accumulated surplus (Note 12)	700,907	678,297
Adjusted accumulated surplus from operations	\$ 3,104,722	\$ 2,460,640

9. CONTRACTUAL OBLIGATIONS:

	2016	2015
Service providers	\$ 769,181	\$ 834,140
Copier Leases	63,858	132,796
Computer Leases	888,014	969,257
Total	\$ 1,721,053	\$ 1,936,193

Estimated payment requirements for each of the next three years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers	Copier Leases	Computer Leases
2016-2017	\$ -	\$ -	\$ 769,181	\$ 32,443	\$ 319,223
2017-2018	-	-	-	17,215	298,579
2018-2019	-	-	-	9,537	215,033
Thereafter	-	-	-	-	-
	\$ -	\$ -	\$ 769,181	\$ 63,858	\$ 888,014

In May 2015, the Division finalized its commitment to enter into a long-term, direct sales agreement from the Bull Creek Wind project. The term of the agreement will be for a 25-year period at price of \$73/MWh for the first three years of the agreement with a 3% increase in each subsequent year of the agreement.

10. CONTINGENT LIABILITIES:

The Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements as the value of equity is subject to liability claims.

The Division and Elk Island Public Schools Regional Division No. 14 (the "Tenant") have entered into a joint agreement with Strathcona County for the lease of the land on which the Holy Spirit School is situated. The lease term commenced May 31, 2002 and extends to May 31, 2052. The base rent for the entire term of the lease is \$1. The lease contains a renewal option of two further terms of twenty-five years each. Upon the expiration of the second renewal term, should the Tenant require the lands for active use in the operation of the Holy Spirit School, the County and the Tenant may agree to extend or renew the lease as mutually agreed to by both parties.

11. TRUSTS UNDER ADMINISTRATION

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

	2016	2015
Scholarship trusts	\$ 31,061	\$ 32,908
Total	\$ 31,061	\$ 32,908

12. SCHOOL GENERATED FUNDS

	2016	2015
School Generated Funds, Beginning of Year	\$ 1,137,754	\$ 1,067,355
Gross Receipts:		
Fees	2,926,519	2,795,579
Fundraising	293,732	213,952
Gifts and donations	106,183	79,285
Grants to schools	8,400	17,500
Other sales and services	717,361	816,643
Total gross receipts	4,052,195	3,922,959
Total Related Expenses and Uses of Funds	4,136,846	3,802,225
Total Direct Costs Including Cost of Goods Sold to Raise Funds	3,830	50,335
School Generated Funds, End of Year	\$ 1,049,273	\$ 1,137,754
Balance included in Deferred Revenue	\$ 348,366	\$ 459,457
Balance included in Accumulated Surplus (Operating Reserves)	\$ 700,907	\$ 678,297

13. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Alberta Education				
Accounts receivable / Accounts payable	\$ 681,817	\$ 2,079,134		
Prepaid expenses / Deferred operating revenue	-	482,097		
Unexpended deferred capital revenue		1,625,739		
Expended deferred capital revenue		66,453,771	3,442,608	
Grant revenue & expenses			60,477,928	
ATRF payments made on behalf of district			4,079,456	
Other revenues & expenses			-	7,888
Other Alberta school jurisdictions	-	-	-	111,317
Alberta Treasury Board and Finance (Principal)	122,999			
Alberta Treasury Board and Finance (Accrued interest)	9,431		9,431	
Post-secondary institutions	-	-	8,296	1,880
Other:				
Alberta Capital Financing Authority		3,922,595		112,414
Alberta Pension Services Corporation				1,025,254
Worker's Compensation Board	-	-	-	116,215
TOTAL 2015/2016	<u>\$ 814,247</u>	<u>\$ 74,563,336</u>	<u>\$68,017,719</u>	<u>\$1,374,968</u>
TOTAL 2014/2015	<u>\$1,876,088</u>	<u>\$ 62,743,094</u>	<u>\$59,051,719</u>	<u>\$1,164,963</u>

14. 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.

15. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 17, 2015. It is presented for information purposes only and has not been audited.

16. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2015/2016 presentation.

17. RESTATEMENT

An amount relating to the energy retrofit of school facilities has been reclassified from Equipment to Buildings.

	Originally Reported	Adjustment	Restated
Buildings	\$ 61,651,670	\$ 156,420	\$ 61,808,090
Equipment	2,013,524	(156,405)	1,857,119
Accumulated Surplus	9,458,442	15	9,458,457

SCHEDULE 8

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

	Actual 2016	Actual 2015
FEES		
Transportation fees	\$220,142	\$252,884
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$474,169	\$444,668
Technology user fees	\$10,173	\$0
Alternative program fees	\$363,162	\$169,990
Fees for optional courses (band, art, etc.)	\$705,797	\$804,321
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$42,600	\$0
Kindergarten & preschool	\$58,334	\$28,047
Extracurricular fees (sports teams and clubs)	\$884,180	\$716,799
Field trips (related to curriculum)	\$344,378	\$288,705
Lunch supervision fees (Mandatory & Optional)	\$98,053	\$87,709
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)* Fees for non-curricular items such as year books or hot lunch programs	\$99,722	\$68,069
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$3,300,710	\$2,861,192

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

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

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	268	91	235		
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ 306,306	\$ 1,719,412	\$ 310,135	\$ 3,860,479	\$ 280,652
Other funding allocated by the board to the program	\$ -	\$ 168,130	\$ -	\$ 554,034	\$ -
TOTAL REVENUES	\$ 306,306	\$ 1,887,542	\$ 310,135	\$ 4,414,513	\$ 280,652
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ 379,993	\$ -	\$ 1,320,579	
Instructional non-certificated salaries & benefits	\$ 306,306	\$ 1,247,176	\$ 310,135	\$ 2,943,829	
SUB TOTAL	\$ 306,306	\$ 1,627,169	\$ 310,135	\$ 4,264,408	
Supplies, contracts and services	\$ -	\$ 165,262	\$ -	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ 95,111	\$ -	\$ 150,105	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 306,306	\$ 1,887,542	\$ 310,135	\$ 4,414,513	
NET FUNDING SURPLUS (SHORTFALL)	\$ -	\$ -	\$ -	\$ -	

SCHEDULE 10

School Jurisdiction Code: 46

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2016 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 442,048	\$ 61,971	\$ -	\$ 504,019	\$ 216,815	\$ 131,953	\$ -	\$ 852,787
Educational administration (excluding superintendent)	\$ 111,027	\$ 12,180	\$ -	\$ 123,207	\$ 381,810	\$ 65,759	\$ -	\$ 570,776
Business administration	\$ 689,083	\$ 126,409	\$ -	\$ 815,492	\$ -	\$ -	\$ -	\$ 815,492
Board governance (Board of Trustees)	\$ 132,449	\$ 130,729	\$ -	\$ 263,178	\$ -	\$ -	\$ -	\$ 263,178
Information technology	\$ -	\$ -	\$ -	\$ -	\$ 767,589	\$ 1,162,946	\$ -	\$ 1,930,535
Human resources	\$ 332,651	\$ 39,456	\$ -	\$ 372,107	\$ 55,656	\$ 12,022	\$ -	\$ 439,785
Central purchasing, communications, marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll	\$ 175,385	\$ -	\$ -	\$ 175,385	\$ -	\$ -	\$ -	\$ 175,385
Administration - insurance			\$ 5,004	\$ 5,004			\$ -	\$ 5,004
Administration - amortization			\$ 85,817	\$ 85,817			\$ -	\$ 85,817
Administration - other (admin building, interest)			\$ 25,478	\$ 25,478			\$ -	\$ 25,478
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,882,643	\$ 370,745	\$ 116,299	\$ 2,369,687	\$ 1,421,870	\$ 1,372,680	\$ -	\$ 5,164,237