

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

Sturgeon School Division No. 24

Legal Name of School Jurisdiction

9820 - 104 Street Morinville AB T8R 1L8

Mailing Address

(780) 939-4341 (780) 939-5520 iva.paulik@sturgeon.ab.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Sturgeon School Division No. 24 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

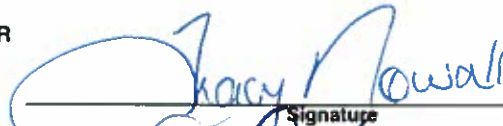
The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

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

Ms. Tracy Nowak
Name


Signature

SUPERINTENDENT

Dr. Michele Dick
Name


Signature

SECRETARY-TREASURER OR TREASURER

Mrs. Iva Paulik
Name


Signature

Nov 23, 2016

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: mei-ling.irwin@gov.ab.ca AND robert.mah@gov.ab.ca
PHONE: Mei-Ling: (780) 415-8940; Robert: (780) 427-3855 FAX: (780) 422-6996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF OPERATIONS	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)	7
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
Schedule 1: SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	9
Schedule 2: SCHEDULE OF CAPITAL REVENUE	11
Schedule 3: SCHEDULE OF PROGRAM OPERATIONS	12
Schedule 4: SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES	13
Schedule 5: SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS	14
Schedule 6: SCHEDULE OF CAPITAL ASSETS	15
Schedule 7: SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES	16
NOTES TO THE FINANCIAL STATEMENTS	17
Schedule 8: UNAUDITED SCHEDULE OF FEE REVENUES	XX
Schedule 9: UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	XX
Schedule 10: UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	XX



HAWKINGS EPP DUMONT LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of Sturgeon School Division No. 24:

We have audited the accompanying financial statements of Sturgeon School Division No. 24, which comprise the statement of financial position as at August 31, 2016, the statements of operations, cash flows, changes in net debt, remeasurement gains and losses, and changes in accumulated surplus for the year then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

Managements' 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 Sturgeon School Division No. 24 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.

November 23, 2016
Edmonton, Alberta

Hawkings Epp Dumont LLP

Hawkings Epp Dumont LLP
Chartered Accountants

EDMONTON

Mayfield Square 1
10476 – Mayfield Road
Edmonton, AB T5P 4P4
T: 780.489.9606
F: 780.484.9689

STONY PLAIN

#101, 5300 – 50 Street
PO Box 3188, Station Main
Stony Plain, AB T7Z 1T8
T: 780.963.2727
F: 780.963.1294

LLOYDMINSTER

5102 – 48 Street
PO Box 10099
Lloydminster, AB T9V 3A2
T: 780.875.7433
F: 780.875.5304

HAWKINGS.COM



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

		2016	2015 Restated
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 8,747,254	\$ 6,004,221
Accounts receivable (net after allowances)	(Note 3)	\$ 477,645	\$ 916,304
Portfolio investments	(Schedule 5)	\$ -	\$ 22,770
Other financial assets	(Note 5)	\$ 26,275	\$ 36,138
Total financial assets		\$ 9,251,174	\$ 6,979,433
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 1,870,100	\$ 1,548,902
Deferred revenue	(Note 8)	\$ 34,822,225	\$ 22,538,050
Employee future benefit liabilities			
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 9)		
Supported: Debentures and other supported debt		\$ 7,938	\$ 42,858
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 36,700,263	\$ 24,129,810
Net financial assets (debt)		\$ (27,449,089)	\$ (17,150,377)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 1,414,541	\$ 1,414,541
Construction in progress		\$ 15,115,797	\$ 4,357,625
Buildings	\$ 59,527,325		
Less: Accumulated amortization	\$ (40,974,996)	\$ 18,552,329	\$ 17,924,161
Equipment	\$ 1,743,511		
Less: Accumulated amortization	\$ (949,675)	\$ 793,836	\$ 177,402
Vehicles	\$ 661,958		
Less: Accumulated amortization	\$ (532,802)	\$ 129,156	\$ 158,296
Computer Equipment	\$ 164,926		
Less: Accumulated amortization	\$ (87,823)	\$ 77,103	\$ 110,088
Total tangible capital assets		\$ 36,082,762	\$ 24,142,113
Prepaid expenses		\$ 315,809	\$ 209,495
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 36,398,571	\$ 24,351,608
Accumulated surplus	(Schedule 1; Note 10)	\$ 8,949,482	\$ 7,201,231
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 8,949,482	\$ 7,201,231
Accumulated rereasurement gains (losses)		\$ -	\$ -
		\$ 8,949,482	\$ 7,201,231
Contractual obligations	(Note 11)		
Contingent liabilities	(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
REVENUES			
Alberta Education	\$ 62,167,025	\$ 63,861,714	\$ 61,002,026
Other - Government of Alberta	\$ 345,442	\$ 684,812	\$ 553,357
Federal Government and First Nations	\$ 240,000	\$ 280,000	\$ 305,186
Other Alberta school authorities	\$ 20,522	\$ 21,677	\$ 20,522
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 1,761,544	\$ 1,960,010	\$ 1,843,612
Other sales and services	\$ 248,222	\$ 247,065	\$ 287,180
Investment income	\$ 55,000	\$ 80,688	\$ 65,425
Gifts and donations	\$ 105,857	\$ 173,613	\$ 79,645
Rental of facilities	\$ 36,746	\$ 48,502	\$ 40,682
Fundraising	\$ 328,795	\$ 107,119	\$ 196,772
Gains on disposal of capital assets	\$ -	\$ -	\$ 15,600
Other revenue	\$ -	\$ 62,386	\$ 43,913
Total revenues	\$ 65,309,153	\$ 67,527,586	\$ 64,453,920
EXPENSES			
Instruction - ECS	\$ 9,185,418	\$ 10,866,230	\$ 9,711,481
Instruction - Grades 1 - 12	\$ 41,041,495	\$ 40,087,495	\$ 38,237,713
Plant operations and maintenance	\$ 6,685,212	\$ 6,911,947	\$ 7,001,379
Transportation	\$ 5,531,831	\$ 5,373,810	\$ 5,401,920
Board & system administration	\$ 2,466,965	\$ 2,461,789	\$ 2,195,664
External services	\$ 80,011	\$ 78,064	\$ 70,998
Total expenses	\$ 64,990,932	\$ 65,779,335	\$ 62,619,155
Operating surplus (deficit)	\$ 318,221	\$ 1,748,251	\$ 1,834,765

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)	\$ 1,748,251	\$ 1,834,765
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,588,951	\$ 1,668,133
Gains on disposal of tangible capital assets	\$ -	\$ (15,600)
Losses on disposal of tangible capital assets	\$ -	\$ 11,142
Expended deferred capital revenue recognition	\$ (1,425,551)	\$ (1,472,321)
Deferred capital revenue write-down / adjustment	\$ -	\$ 2,700
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 438,659	\$ (158,432)
Prepays	\$ (105,314)	\$ (37,198)
Other financial assets	\$ 9,863	\$ (8,315)
Non-financial assets	\$ -	\$ -
Accounts payable accrued and other liabilities	\$ 321,198	\$ 58,484
Deferred revenue (excluding EDCR)	\$ 2,074,926	\$ 949,553
Employee future benefit liabilities	\$ -	\$ 24,779
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 4,649,983	\$ 2,857,690
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (1,239,605)	\$ (612,751)
Equipment	\$ (655,195)	\$ (24,202)
Vehicles	\$ -	\$ -
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 20,076
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,894,800)	\$ (616,877)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ 22,770	\$ 142
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 22,770	\$ 142
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (34,920)	\$ (103,560)
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	\$ (34,920)	\$ (103,560)
Increase (decrease) in cash and cash equivalents	\$ 2,743,033	\$ 2,137,395
Cash and cash equivalents, at beginning of year	\$ 6,004,221	\$ 3,866,826
Cash and cash equivalents, at end of year	\$ 8,747,254	\$ 6,004,221

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

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

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

	Budget 2016	2016	2015
Operating surplus (deficit)	\$ 318,221	\$ 1,748,251	\$ 1,834,765
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ -	\$ (13,529,600)	\$ (4,253,599)
Amortization of tangible capital assets	\$ 1,570,125	\$ 1,588,951	\$ 1,668,133
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ 18,318
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 1,570,125	\$ (11,940,649)	\$ (2,567,148)
Changes in:			
Prepaid expenses	\$ -	\$ (106,314)	\$ (37,198)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 1,888,346	\$ (10,298,712)	\$ (769,581)
Net financial assets (net debt) at beginning of year	\$ (17,150,377)	\$ (17,150,377)	\$ (16,380,796)
Net financial assets (net debt) at end of year	\$ (15,262,031)	\$ (27,449,089)	\$ (17,150,377)

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	\$ 7,201,231	\$ -	\$ 7,201,231	\$ 2,449,191	\$ -	\$ 605,618	\$ 1,435,968	\$ 2,710,454
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 7,201,231	\$ -	\$ 7,201,231	\$ 2,449,191	\$ -	\$ 605,618	\$ 1,435,968	\$ 2,710,454
Operating surplus (deficit)	\$ 1,748,251		\$ 1,748,251			\$ 1,748,251		
Board funded tangible capital asset additions				\$ 331,150		\$ (331,150)	\$ -	\$ -
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	\$ -		\$ -	\$ (1,588,951)		\$ 1,588,951		
Capital revenue recognized	\$ -		\$ -	\$ 1,425,551		\$ (1,425,551)		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Net transfers to operating reserves	\$ -		\$ -			\$ (198,817)	\$ 198,817	
Net transfers from operating reserves	\$ -		\$ -			\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -		\$ -			\$ (1,000,000)		\$ 1,000,000
Net transfers from capital reserves	\$ -		\$ -			\$ -		\$ -
Assumption/transfer of other operations surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 8,949,482	\$ -	\$ 8,949,482	\$ 2,616,941	\$ -	\$ 987,302	\$ 1,634,785	\$ 3,710,454

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	Operating Reserves	Capital Reserves
Balance at August 31, 2015	\$ 1,435,968	\$ 43,000	\$ -	\$ 359,554	\$ -	\$ 2,242,084	\$ -	\$ -	\$ 65,816	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 1,435,968	\$ 43,000	\$ -	\$ 359,554	\$ -	\$ 2,242,084	\$ -	\$ 65,816	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ 196,817		\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ 1,000,000		\$ -			\$ -	
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -			\$ -	
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 1,634,785	\$ 43,000	\$ -	\$ 359,554	\$ -	\$ 3,242,084	\$ -	\$ 65,816	\$ -	\$ -	\$ -	\$ -

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 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	\$ (0)	\$ 26,290	\$ 4,903	\$ -	\$ 21,692,908
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ (0)	\$ 26,290	\$ 4,903	\$ -	\$ 21,692,908
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 2,111,493				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 156,589				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ 4,098				
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: Parent Society Group					\$ 20,710
Alberta Infrastructure managed projects					\$ 11,614,090
Transferred in (out) tangible capital assets (amortizable @ net book value)					\$ -
Expended capital revenue - current year	\$ (1,563,651)	\$ -	\$ -	\$ -	\$ 1,563,651
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					\$ 1,425,551
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2016	\$ 708,529	\$ 26,290	\$ 4,903	\$ -	\$ 33,465,808
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)				\$ 739,721	

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
	ECS	Grades 1 - 12					
(1) Alberta Education	\$ 10,451,588	\$ 39,716,489	\$ 6,380,372	\$ 4,839,792	\$ 2,473,473	\$ -	\$ 63,861,714
(2) Other - Government of Alberta	\$ 636,485	\$ 46,700	\$ 1,627	\$ -	\$ -	\$ -	\$ 684,812
(3) Federal Government and First Nations	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ 280,000
(4) Other Alberta school authorities	\$ -	\$ 21,677	\$ -	\$ -	\$ -	\$ -	\$ 21,677
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 29,800	\$ 1,411,916	\$ -	\$ 518,294	\$ -	\$ -	\$ 1,960,010
(9) Other sales and services	\$ -	\$ 169,001	\$ -	\$ -	\$ -	\$ 78,064	\$ 247,065
(10) Investment income	\$ -	\$ -	\$ 40,344	\$ -	\$ 40,344	\$ -	\$ 80,688
(11) Gifts and donations	\$ -	\$ 173,613	\$ -	\$ -	\$ -	\$ -	\$ 173,613
(12) Rental of facilities	\$ -	\$ 44,511	\$ 3,991	\$ -	\$ -	\$ -	\$ 48,502
(13) Fundraising	\$ -	\$ 107,119	\$ -	\$ -	\$ -	\$ -	\$ 107,119
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ -	\$ 17,780	\$ -	\$ -	\$ 44,606	\$ -	\$ 62,386
(16) TOTAL REVENUES	\$ 11,117,873	\$ 41,988,806	\$ 6,426,334	\$ 5,358,086	\$ 2,558,423	\$ 78,064	\$ 67,527,586
EXPENSES							
(17) Certificated salaries	\$ 3,815,429	\$ 23,404,013	\$ -	\$ -	\$ 414,816	\$ 28,566	\$ 27,662,824
(18) Certificated benefits	\$ 883,944	\$ 5,257,591	\$ -	\$ -	\$ 71,897	\$ 2,644	\$ 6,216,076
(19) Non-certificated salaries and wages	\$ 4,151,788	\$ 5,579,512	\$ 1,951,411	\$ 144,968	\$ 1,017,645	\$ 37,152	\$ 12,882,476
(20) Non-certificated benefits	\$ 1,019,705	\$ 1,473,357	\$ 507,462	\$ 35,142	\$ 196,809	\$ 9,702	\$ 3,242,177
(21) SUB - TOTAL	\$ 9,870,866	\$ 35,714,473	\$ 2,458,873	\$ 180,110	\$ 1,701,167	\$ 78,064	\$ 50,003,553
(22) Services, contracts and supplies	\$ 989,490	\$ 4,320,160	\$ 2,991,148	\$ 5,164,560	\$ 719,487	\$ -	\$ 14,184,845
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 1,425,551	\$ -	\$ -	\$ -	\$ 1,425,551
(24) Amortization of unsupported tangible capital assets	\$ 5,874	\$ 52,862	\$ 34,389	\$ 29,140	\$ 41,135	\$ -	\$ 163,400
(25) Supported interest on capital debt	\$ -	\$ -	\$ 1,986	\$ -	\$ -	\$ -	\$ 1,986
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 10,866,230	\$ 40,087,495	\$ 6,911,947	\$ 5,373,810	\$ 2,461,789	\$ 78,064	\$ 65,779,335
(31) OPERATING SURPLUS (DEFICIT)	\$ 251,643	\$ 1,901,311	\$ (485,613)	\$ (15,724)	\$ 96,634	\$ -	\$ 1,748,251
							\$ 62,619,155
							\$ 1,834,765

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	\$ 1,400,801	\$ 346,609	\$ -	\$ -	\$ 204,001			\$ 1,951,411	\$ 1,817,988
Uncertificated benefits	\$ 380,416	\$ 78,671	\$ -	\$ -	\$ 40,376			\$ 507,463	\$ 494,337
Sub-total Remuneration	\$ 1,789,217	\$ 425,280	\$ -	\$ -	\$ 244,377			\$ 2,459,874	\$ 2,312,325
Supplies and services	\$ 165,016	\$ 372,832	\$ 54,075	\$ 1,038,300	\$ 193,824			\$ 1,823,847	\$ 1,985,032
Electricity			\$ 533,320					\$ 533,320	\$ 513,198
Natural gas/heating fuel			\$ 250,567					\$ 250,567	\$ 301,909
Sewer and water			\$ 76,576					\$ 76,576	\$ 70,079
Telecommunications			\$ 5,401					\$ 5,401	\$ 6,369
Insurance					\$ 301,436			\$ 301,436	\$ 299,331
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets								\$ -	\$ -
Supported							\$ 1,425,551	\$ 1,425,551	\$ 1,470,971
Unsupported						\$ 34,389		\$ 34,389	\$ 33,890
Total Amortization						\$ 34,389	\$ 1,425,551	\$ 1,459,940	\$ 1,504,861
Interest on capital debt									
Supported							\$ 1,986	\$ 1,986	\$ 8,275
Unsupported								\$ -	\$ -
Lease payments for facilities								\$ -	\$ -
Other interest charges								\$ -	\$ -
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 1,954,233	\$ 798,112	\$ 919,939	\$ 1,038,300	\$ 739,437	\$ 34,389	\$ 1,427,537	\$ 6,911,947	\$ 7,001,379
SQUARE METRES									
School buildings								60,894.3	59,958.0
Non school buildings								1,481.0	1,481.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.
 Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.
 Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
 Expensed IMR & Modular Unit 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, negotiation, 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)**

Cash & Cash Equivalents	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ -	\$ 8,747,254	\$ 6,004,221
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%	\$ -	\$ 8,747,254	\$ 6,004,221

Portfolio Investments	2016			2015	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	0.00%	-	-	-	22,770
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%	\$ -	\$ -	\$ -	\$ 22,770

See note 4 for additional detail

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

	2016	2015
Under 1 year	0.0%	1.6%
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%
	0.0%	1.6%

SCHEDULE 6

School Jurisdiction Code: **1110**

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

	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	Total
Historical cost								
Estimated useful life								
Beginning of year	\$ 1,414,541	\$ 4,357,625	\$ 57,431,802	\$ 1,067,606	\$ 661,958	\$ 164,926	\$ 65,098,458	\$ 62,177,936
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	12,705,701	147,994	675,905	-	-	13,529,600	4,253,599
Transfers in (out)	-	(1,947,529)	1,947,529	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	(1,333,077)
	\$ 1,414,541	\$ 15,115,797	\$ 59,527,325	\$ 1,743,511	\$ 661,958	\$ 164,926	\$ 78,628,058	\$ 65,098,458
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 39,507,641	\$ 890,204	\$ 503,662	\$ 54,838	\$ 40,956,345	\$ 40,602,971
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	1,467,355	59,471	29,140	32,985	1,588,951	1,668,131
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	-	(1,314,757)
	\$ -	\$ -	\$ 40,974,996	\$ 949,675	\$ 532,802	\$ 87,823	\$ 42,545,296	\$ 40,956,345
Net Book Value at August 31, 2016	\$ 1,414,541	\$ 15,115,797	\$ 18,552,329	\$ 793,836	\$ 129,156	\$ 77,103	\$ 36,082,762	\$ -
Net Book Value at August 31, 2015	\$ 1,414,541	\$ 4,357,625	\$ 17,924,161	\$ 177,402	\$ 158,296	\$ 110,088	\$ 24,142,113	\$ -

	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 (1)	Expenses
Tracy Nowak (Chair)	1.00	\$21,396	\$691	\$0	\$0	\$0	\$0	\$7,199
Elizabeth Kohle	1.00	\$21,433	\$718	\$0	\$0	\$0	\$0	\$11,809
Misty Featherley	1.00	\$19,210	\$618	\$0	\$0	\$0	\$0	\$4,819
Terry Jewell	1.00	\$19,760	\$161	\$0	\$0	\$0	\$0	\$7,376
Wendy Miller	1.00	\$20,860	\$686	\$0	\$0	\$0	\$0	\$9,877
Michelle Mykasiw	1.00	\$19,160	\$615	\$0	\$0	\$0	\$0	\$4,765
Shelley Porter	1.00	\$19,560	\$632	\$0	\$0	\$0	\$0	\$5,391
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	7.00	\$141,379	\$4,121	\$0	\$0	\$0	\$0	\$51,236
Dr. Michele Dick, Superintendent	1.00	\$199,750	\$37,456	\$0	\$0	\$0	\$33,902	\$8,166
Iva Paulk, Secretary Treasurer	1.00	\$180,417	\$42,989	\$0	\$0	\$0	\$7,202	\$11,003
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	283.50	\$27,463,074	\$6,144,718	\$0	\$0	\$0	\$0	\$0
Non-certificated - other	276.00	\$12,560,680	\$3,187,865	\$0	\$0	\$0	\$0	\$0
TOTALS	568.50	\$40,545,300	\$9,417,149	\$0	\$0	\$0	\$41,104	\$70,405

(1) Other Accrued Unpaid Benefits Include: Net change to accrued vacation liability and retirement allowance

Trustee Remuneration and Expenses are in accordance with the Trustee Remuneration and Expense Reimbursement Policy (E/11/2). Expenses include board approved activities such as Board committees and meetings, Board representation to other organizations and trustee professional development. The expenses may vary based on the respective trustee representation throughout the school year. Benefits of Superintendent include Alberta Education contributions to the Teachers Retirement Fund pension plan. Benefits of Secretary Treasurer include the employer share of Local Authority Pension Plan and Supplementary Income Pension Plan.

1. AUTHORITY AND PURPOSE

Sturgeon School Division No. 24 (the "Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The School Division receives instruction and support allocations under Education Grants Regulation 120/2008. The regulation allows for the setting of conditions and use of grant monies. The School 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 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) 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.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

GIC's not quoted in an active market are reported at cost or amortized cost.

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.

d) Tangible capital assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement 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 School 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 Unamortized Deferred Capital Contributions.
- 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 School Division are considered capital leases.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:
 - Buildings 2.5% to 4%
 - Vehicles & Buses 10% to 20%
 - Computer Hardware & Software 20% to 33.3%
 - Other Equipment & Furnishings 10% to 20%

e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard PS 3200*. These contributions are recognized by the School 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**

Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Division, 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**

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 tangible capital asset. Amortization over the useful life of the related tangible capital asset is due to certain stipulations related to the contributions that require that the School Division to use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

The School Division 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 early retirement and retirement/severance.

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

g) 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.

h) 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 Change in Accumulated Surplus.

i) 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 and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School Division has to meet in order to receive the contributions. Stipulations describe how the School 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.

j) 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.

k) 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 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 School Division is included in both revenues and expenses. For the school year ended August 31, 2016, the amount contributed by the Government of Alberta was \$3,319,125 (2015 - \$3,166,573).

The School 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 for the year ended August 31, 2016 \$1,275,887 (2015 -\$1,218,597). At December 31, 2015, the Local Authorities Pension Plan reported a deficiency of \$923,416,000 (2015 - a deficiency of \$2.455 billion).

l) Program Reporting

The School 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 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 facilities.
- **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 are to 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 and services, school administration and instruction support, and System Instructional Support.

m) 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. Trust balances can be found in Note 13.

n) 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 Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, debt and other liabilities. It is management's opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

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 de-recognition 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.

o) 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	\$ 85,321	\$ -	\$ 85,321	\$ -
Alberta Education - Capital	4,098	-	4,098	493,805
Alberta Education - IMF	-	-	-	-
Alberta Education - Diploma Marking	678	-	678	815
Treasury Board and Finance - Supported debenture principal	7,938	-	7,938	42,858
Treasury Board and Finance - Accrued interest on supported debentures	421	-	421	3,186
Alberta Health	-	-	-	-
Alberta Health Services	-	-	-	-
Labour	4,245	-	4,245	-
Human Services	59,408	-	59,408	-
Federal government	118,062	-	118,062	97,939
First Nations	1,283	-	1,283	94,034
Other	196,191	-	196,191	183,667
Total	\$ 477,645	\$ -	\$ 477,645	\$ 916,304

4. **PORTFOLIO INVESTMENTS**

The Division's short term investments in GIC's matured in 2015/2016.

5. OTHER FINANCIAL ASSETS

Other Financial assets consist of the following:

	2016	2015
Inventory	\$ 26,275	\$ 36,138
Total	\$ 26,275	\$ 36,138

Inventory is measured at the lower of cost and net realizable value.

6. BANK INDEBTEDNESS

The School Division has negotiated an operating loan in the amount of \$3,000,000 that bears interest at prime less 0.5%. This loan is secured by a security agreement. There was zero balance at August 31, 2016.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Alberta Education	\$ 381,962	\$ 617,519
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	421	3,186
Alberta Health	-	-
Alberta Health Services	-	-
Other Government of Alberta ministries	-	-
Federal government	1,146	6,146
First Nations	-	-
Accrued vacation pay liability	148,227	132,076
Other salaries & benefit costs	24,596	27,314
Other trade payables and accrued liabilities	1,313,749	762,661
Total	\$ 1,870,100	\$ 1,548,902

8. 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	329,386	920,192	(1,194,889)	54,689
Other Alberta Education def'd revenue SLA	2,184	2,418	(2,184)	2,418
Other Alberta Education def'd revenue Bridging Program	-	68,000	(16,667)	51,333
Other Government of Alberta:				
Alberta Health	3,175	38,096	(38,096)	3,175
Human Services - Child and Family Services	-	243,564	(224,828)	18,736
Other Deferred Revenue:				
School Generated Funds	67,682	1,119,095	(1,070,995)	115,782
Fees	5,727	-	(5,727)	-
Donations	4,630	3,900	-	8,530
Transportation fees	399,983	361,742	(399,983)	361,742
Other	1,182	499	(1,390)	291
Total unexpended deferred operating revenue	\$ 813,949	\$ 2,757,506	\$ (2,954,759)	\$ 616,696
Unexpended deferred capital revenue (Schedule 2)	31,192	2,272,180	(1,563,651)	739,721
Expended deferred capital revenue (Schedule 2)	21,692,908	13,198,451	(1,425,551)	33,465,808
Total	\$22,538,050	\$ 18,228,137	\$ (5,943,961)	\$34,822,225

9. DEBT

The debentures are held with Alberta Capital Finance Authority, bearing interest at 9.875%, and are fully supported by Alberta Finance. Debenture payments due the next school year:

	Principal	Interest	Total
2016-2017	\$ 7,938	\$ 784	\$ 8,722
2017-to maturity	-	-	-
Total	\$ 7,938	\$ 784	\$ 8,722

10. ACCUMULATED SURPLUS:

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

	2016	2015
Unrestricted surplus	\$ 987,302	\$ 605,618
Operating reserves	1,634,785	1,435,968
Accumulated surplus (deficit) from operations	2,622,087	2,041,586
Investment in tangible capital assets	2,616,941	2,449,191
Capital reserves	3,710,454	2,710,454
Endowments	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	\$ 8,949,482	\$ 7,201,231

Included in Accumulated surplus from operations are school generated funds to which the Division has no claim. Adjusted accumulated surplus represents funds owned by the Division.

	2016	2015
Accumulated surplus (deficit) from operations	\$ 2,622,087	\$ 2,041,586
Deduct: School generated funds included in accumulated surplus (Note 17)	445,726	424,025
Adjusted accumulated surplus (deficit) from operations ⁽¹⁾	\$ 2,176,361	\$ 1,617,561

(1) Accumulated surplus represents funding available for use by the school jurisdiction after deducting funds committed for use by schools.

11. CONTRACTUAL OBLIGATIONS

	Building Leases	Equipment and Vehicle Leases
2016-2017	\$ 87,829	\$ 368,684
2017-2018	88,771	361,211
2018-2019	33,293	322,948
2019-2020	34,291	304,233
2020-2021	35,320	149,230
Thereafter	112,446	-
	\$ 391,950	\$ 1,506,306

⁽¹⁾ Building Leases: The Division is committed to two leases to operate its Learning Centers.

⁽²⁾ Equipment and Vehicle Leases: As at August 31, 2016, the Division has \$ 1,506,306 (2015 - \$497,977) in commitments relating to equipment and vehicle leases.

⁽³⁾ The Division has entered into an agreement with Enmax Energy for the provision of electricity services. The agreement is in effect from January 1, 2014 to December 31, 2018. Under the terms of the agreement, the Division pays energy charges at a fixed rate for the contracted consumption amounts. The energy charges for any quantity of electricity either in excess or less than the contracted consumptions amounts are subject to variable charges and credits.

12. CONTINGENT LIABILITIES

On December 15, 2000, the School Division entered into an agreement with the Minister of National Defense. Under the terms of the agreement, the School Division leases land, on which the new Guthrie School is located, from the Minister in the amount of \$1.00 per annum for a period of twenty-five years commencing on September 1, 2000 and continuing until August 31, 2025. The School Division has the option to renew the lease for a further twenty-five year term under the same terms and conditions provided the School Division notifies the Minister at least twelve months prior to the expiry of the present lease term of its intention to exercise this option.

The School Division has two sites, the sewage lift station at Camilla School in Riviere Que Barre and the Lagoon at Namao School, which may require future remediation. Unless such remediation or upgrades occur, there would be no related provision recognized in the financial statements as there is currently no obligation to remediate these sites. The costs of future remediation or upgrades are unknown at this time.

The School Division and the Province of Alberta have been named in the statement of claim regarding the Namao Lagoon. It is management's opinion that the outcome of this claim is not determinable at this time, As a result no amount has been recognized in the financial statements nor disclosed due to very early stages of the claim and the fact that such disclosure could have an effect on the outcome.

The School Division is a member of a reciprocal insurance exchange called ASBIE. Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The jurisdiction's share of the pool as at December, 2015 is \$130,333.

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 School Division.

	2016	2015
Deferred salary leave plan	\$ 74,543	\$ 55,695
Scholarship trusts	58,418	62,998
Total	<u>\$ 132,961</u>	<u>\$ 118,693</u>

14. SCHOOL GENERATED FUNDS

	2016	2015
School Generated Funds, Beginning of Year	\$ 491,707	\$ 410,066
Gross Receipts:		
Fees	679,623	794,544
Fundraising	155,219	196,771
Gifts and donations	109,759	72,323
Grants to schools	-	-
Other sales and services	196,195	184,569
Total gross receipts	1,140,796	1,248,207
Total Related Expenses and Uses of Funds	85,038	169,115
Total Direct Costs Including Cost of Goods Sold to Raise Funds	985,957	997,451
School Generated Funds, End of Year	<u>\$ 561,508</u>	<u>\$ 491,707</u>
Balance included in Deferred Revenue	\$ 115,782	\$ 67,682
Balance included in Accumulated Surplus (Operating Reserves)	\$ 445,726	\$ 424,025

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.

	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	\$ 90,097	\$ 381,962		
Prepaid expenses / Deferred operating revenue	-	108,440		
Unexpended deferred capital revenue		739,721		
Expended deferred capital revenue		33,445,098	1,425,551	
Grant revenue & expenses			59,117,038	
ATRF payments made on behalf of district			3,319,125	
Other revenues & expenses			-	-
Other Alberta school jurisdictions	-	-	21,667	-
Alberta Treasury Board and Finance (Principal)	7,938			
Alberta Treasury Board and Finance (Accrued)	421		1,986	
Alberta Health	-	3,175	-	-
Alberta Health Services	-	-	38,096	-
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	4,000	-
Alberta Infrastructure	-	-	-	-
Human Services	-	18,736	636,485	-
Culture & Tourism	-	-	-	-
Labour	-	-	4,245	-
Other GOA ministries	-	-	-	-
Other:				
Alberta Capital Financing Authority		8,358		1,986
Other Related Parties	-	-	-	-
TOTAL 2015/2016	<u>\$ 98,456</u>	<u>\$ 34,705,490</u>	<u>\$64,568,193</u>	<u>\$ 1,986</u>
TOTAL 2014/2015	<u>\$ 540,664</u>	<u>\$ 22,772,298</u>	<u>\$61,698,390</u>	<u>\$ 8,274</u>

16. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on June 24, 2015. It is presented for information purposes only and has not been audited.

17. COMPARATIVE FIGURES

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