

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

Wolf Creek School Division No. 72

Legal Name of School Jurisdiction

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Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Wolf Creek School Division No. 72 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

Lorrie Jess
Name

LORRIE JESS
Signature

SUPERINTENDENT

Jayson Lovell
Name

Jayson Lovell
Signature

SECRETARY-TREASURER OR TREASURER

Joseph Henderson CPA, CGA
Name

Joe Henderson
Signature

November 16, 2016
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Rowland, Parker
& Associates LLP
CHARTERED ACCOUNTANTS

P.O. Box 4008 • Ponoka, Alberta • T4J 1R5

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Wolf Creek School Division No. 72

We have audited the accompanying financial statements of Wolf Creek School Division No. 72, which comprise of the statements of financial position as at August 31, 2016, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wolf Creek School Division No. 72 as at August 31, 2016 and the results of its operations, change in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ponoka, Alberta
November 16, 2016

ROWLAND, PARKER & ASSOCIATES LLP
Chartered Professional Accountants

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

		2016	2015
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 9,724,131	\$ 3,597,194
Accounts receivable (not after allowances)	(Note 3)	\$ 1,094,807	\$ 3,419,918
Portfolio investments	(Schedule 5)	\$ 2,265,162	\$ 6,438,252
Other financial assets		\$ 3,150	\$ 3,664
Total financial assets		\$ 13,087,250	\$ 13,459,028
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 2,340,598	\$ 2,237,671
Deferred revenue	(Note 5)	\$ 60,907,858	\$ 64,164,150
Employee future benefit liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 6)		
Supported: Debentures and other supported debt		\$ 216,620	\$ 384,745
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 63,465,076	\$ 66,786,566
Net financial assets (debt)		\$ (50,377,826)	\$ (53,327,538)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 650,126	\$ 650,126
Construction in progress		\$ 1,595,925	\$ 225,033
Buildings		\$ 113,443,275	
Less: Accumulated amortization		\$ (54,105,239)	\$ 59,338,036
Equipment		\$ 2,187,393	
Less: Accumulated amortization		\$ (1,784,048)	\$ 403,345
Vehicles		\$ 9,382,814	
Less: Accumulated amortization		\$ (6,140,530)	\$ 3,242,284
Computer Equipment		\$ 844,588	
Less: Accumulated amortization		\$ (638,246)	\$ 206,342
Total tangible capital assets		\$ 65,436,058	\$ 68,356,543
Prepaid expenses	(Note 7)	\$ 416,706	\$ 715,618
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 65,852,764	\$ 69,072,161
Accumulated surplus	(Schedule 1; Note 8)	\$ 15,474,938	\$ 15,744,623
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 15,474,938	\$ 15,744,623
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 15,474,938	\$ 15,744,623
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	Actual 2016	Actual 2015
REVENUES			
Alberta Education	\$ 82,787,942	\$ 82,522,559	\$ 78,320,396
Other - Government of Alberta	\$ 431,284	\$ 399,628	\$ 456,052
Federal Government and First Nations	\$ 2,739,275	\$ 2,860,045	\$ 2,970,312
Other Alberta school authorities	\$ 104,000	\$ 89,659	\$ 116,306
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 1,811,807	\$ 2,028,127	\$ 2,130,351
Other sales and services	\$ 929,493	\$ 1,521,713	\$ 1,391,703
Investment income	\$ 201,372	\$ 96,593	\$ 160,453
Gifts and donations	\$ 14,800	\$ 117,884	\$ 137,471
Rental of facilities	\$ 10,895	\$ 16,088	\$ 19,350
Fundraising	\$ 763,000	\$ 1,133,067	\$ 1,009,290
Gains on disposal of capital assets	\$ -	\$ 33,748	\$ 184,262
Other revenue	\$ -	\$ 2,235	\$ -
Total revenues	\$ 89,793,868	\$ 90,821,346	\$ 86,895,946
EXPENSES			
Instruction - ECS	\$ -	\$ 3,325,207	\$ 3,424,434
Instruction - Grades 1 - 12	\$ 72,823,269	\$ 69,021,849	\$ 66,576,195
Plant operations and maintenance	\$ 10,261,718	\$ 10,744,805	\$ 9,937,563
Transportation	\$ 4,935,433	\$ 4,742,395	\$ 5,015,564
Board & system administration	\$ 2,930,350	\$ 3,098,120	\$ 2,859,534
External services	\$ -	\$ 158,655	\$ -
Total expenses	\$ 90,950,770	\$ 91,091,031	\$ 87,813,290
Operating surplus (deficit)	\$ (1,156,902)	\$ (269,685)	\$ (917,344)

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)	\$ (269,685)	\$ (917,344)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,345,085	\$ 3,690,919
Gains on disposal of tangible capital assets	\$ (33,748)	\$ (184,262)
Losses on disposal of tangible capital assets	\$ -	\$ 1,767
Expended deferred capital revenue recognition	\$ (3,360,498)	\$ (2,737,045)
Deferred capital revenue write-down / adjustment	\$ -	\$ 11,047
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 2,325,111	\$ (1,700,393)
Prepays	\$ 298,912	\$ (511,645)
Other financial assets	\$ 514	\$ 831
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 102,927	\$ (1,414,056)
Deferred revenue (excluding EDCR)	\$ 104,206	\$ 5,178,285
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 3,512,824	\$ 1,418,104
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (776,498)	\$ (2,682,701)
Equipment	\$ (31,052)	\$ (198,928)
Vehicles	\$ (83,469)	\$ (700,974)
Computer equipment	\$ (618,726)	\$ (150,462)
Net proceeds from disposal of unsupported capital assets	\$ 118,893	\$ 253,070
	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,390,852)	\$ (3,479,995)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ (321,627)
Dispositions of portfolio investments	\$ 4,173,090	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 4,173,090	\$ (321,627)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (168,125)	\$ (214,870)
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	\$ (168,125)	\$ (214,870)
Increase (decrease) in cash and cash equivalents	\$ 6,126,937	\$ (2,598,388)
Cash and cash equivalents, at beginning of year	\$ 3,597,194	\$ 6,195,582
Cash and cash equivalents, at end of year	\$ 9,724,131	\$ 3,597,194

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)

	2016	2015
Operating surplus (deficit)	\$ (269,685)	\$ (917,344)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (1,509,745)	\$ (3,733,065)
Amortization of tangible capital assets	\$ 4,345,085	\$ 3,690,919
Net carrying value of tangible capital assets disposed of	\$ 85,145	\$ 81,622
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 2,920,485	\$ 39,476
Changes in:		
Prepaid expenses	\$ 298,912	\$ (511,645)
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 2,949,712	\$ (1,389,513)
Net financial assets (net debt) at beginning of year	\$ (53,327,538)	\$ (51,938,025)
Net financial assets (net debt) at end of year	\$ (50,377,826)	\$ (53,327,538)

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	\$ 15,744,623	\$ -	\$ 15,744,623	\$ 8,293,851	\$ 197,805	\$ 3,747,033	\$ 1,338,504	\$ 2,167,430
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 15,744,623	\$ -	\$ 15,744,623	\$ 8,293,851	\$ 197,805	\$ 3,747,033	\$ 1,338,504	\$ 2,167,430
Operating surplus (deficit)	\$ (269,685)		\$ (269,685)			\$ (269,685)		
Board funded tangible capital asset additions				\$ 721,258			\$ (31,406)	\$ (689,852)
Disposal of unsupported tangible capital assets or board funded portion of supported assets	\$ -		\$ -	\$ (73,156)		\$ (33,748)		\$ 106,904
Write-down of unsupported tangible capital assets or board funded portion of supported assets	\$ -		\$ -	\$ -		\$ -		\$ -
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	\$ -			\$ (4,345,085)		\$ 4,345,085		
Capital revenue recognized	\$ -			\$ 3,360,498		\$ (3,360,498)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 582,580	\$ (582,580)	
Net transfers to capital reserves	\$ -					\$ (1,307,978)		\$ 1,307,978
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 15,474,938	\$ -	\$ 15,474,938	\$ 7,957,366	\$ 197,805	\$ 3,702,789	\$ 724,518	\$ 2,892,460

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	\$ 1,338,504	\$ 43,430	\$ -	\$ 303,201	\$ -	\$ 660,582	\$ -	\$ 1,160,217	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 1,338,504	\$ 43,430	\$ -	\$ 303,201	\$ -	\$ 660,582	\$ -	\$ 1,160,217	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ (22,718)	\$ (606,383)	\$ 11,989	\$ (83,469)	\$ (12,343)	\$ -	\$ (8,334)	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ 1,050	\$ -	\$ 83,276	\$ -	\$ -	\$ -	\$ 22,578	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ (591,268)	\$ -	\$ (11,989)	\$ -	\$ 12,343	\$ -	\$ 8,334	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -	\$ 700,707	\$ -	\$ 193,520	\$ -	\$ 120,134	\$ -	\$ 293,617	\$ -	\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 724,518	\$ 138,804	\$ -	\$ 496,528	\$ -	\$ 780,716	\$ -	\$ 1,476,412	\$ -	\$ -	\$ -	\$ -

**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	\$ 411,029	\$ -	\$ 44,557	\$ -	\$ 60,062,697
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ 411,029	\$ -	\$ 44,557	\$ -	\$ 60,062,697
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 388,353				
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)	\$ -				
Other sources	\$ -			\$ -	
Other sources	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 4,580	\$ -	\$ -	\$ -	
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	\$ (776,498)	\$ -	\$ -	\$ -	\$ 776,498
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					\$ 3,360,498
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2016	\$ 27,464	\$ -	\$ 44,557	\$ -	\$ 57,478,692
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)					\$ 72,021

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	\$ 3,348,945	\$ 60,176,582	\$ 11,143,693	\$ 4,925,156	\$ 2,928,183	\$ -	\$ 78,320,396
(2) Other - Government of Alberta	\$ -	\$ 373,533	\$ 26,095	\$ -	\$ -	\$ -	\$ 456,052
(3) Federal Government and First Nations	\$ -	\$ 2,860,045	\$ -	\$ -	\$ -	\$ -	\$ 2,860,045
(4) Other Alberta school authorities	\$ -	\$ 1,135	\$ -	\$ 88,524	\$ -	\$ -	\$ 89,659
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 22,993	\$ 1,752,870	\$ -	\$ 100,803	\$ -	\$ 151,461	\$ 2,130,351
(9) Other sales and services	\$ 1,380	\$ 1,197,989	\$ 279,852	\$ 29,369	\$ 13,123	\$ -	\$ 1,521,713
(10) Investment income	\$ -	\$ 96,459	\$ -	\$ 36	\$ 98	\$ -	\$ 96,593
(11) Gifts and donations	\$ -	\$ 117,884	\$ -	\$ -	\$ -	\$ -	\$ 117,884
(12) Rental of facilities	\$ -	\$ 16,088	\$ -	\$ -	\$ -	\$ -	\$ 16,088
(13) Fundraising	\$ -	\$ 1,133,067	\$ -	\$ -	\$ -	\$ -	\$ 1,133,067
(14) Gains on disposal of tangible capital assets	\$ -	\$ 1,050	\$ 10,120	\$ 22,578	\$ -	\$ -	\$ 33,748
(15) Other revenue	\$ -	\$ 2,235	\$ -	\$ -	\$ -	\$ -	\$ 2,235
(16) TOTAL REVENUES	\$ 3,373,318	\$ 67,728,937	\$ 11,459,760	\$ 5,166,466	\$ 2,941,404	\$ 151,461	\$ 90,821,346
EXPENSES							
(17) Certificated salaries	\$ 1,631,033	\$ 39,144,783	\$ -	\$ -	\$ 567,455	\$ 66,740	\$ 41,409,011
(18) Certificated benefits	\$ 373,740	\$ 8,969,748	\$ -	\$ -	\$ 59,389	\$ 7,305	\$ 9,410,182
(19) Non-certificated salaries and wages	\$ 725,131	\$ 9,477,375	\$ 2,706,462	\$ 2,122,069	\$ 1,124,697	\$ 75,106	\$ 16,230,860
(20) Non-certificated benefits	\$ 181,033	\$ 2,831,098	\$ 764,694	\$ 396,370	\$ 293,533	\$ 8,345	\$ 4,475,073
(21) SUB - TOTAL	\$ 2,910,937	\$ 60,423,004	\$ 3,471,156	\$ 2,518,459	\$ 2,045,074	\$ 156,496	\$ 71,525,126
(22) Services, contracts and supplies	\$ 414,270	\$ 8,420,108	\$ 3,788,858	\$ 1,563,647	\$ 932,505	\$ 2,159	\$ 15,121,547
(23) Amortization of supported tangible capital assets	\$ -	\$ 11,644	\$ 3,348,854	\$ -	\$ -	\$ -	\$ 3,360,498
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 94,322	\$ 109,842	\$ 660,289	\$ 120,134	\$ -	\$ 984,587
(25) Supported interest on capital debt	\$ -	\$ -	\$ 26,095	\$ -	\$ -	\$ -	\$ 26,095
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ 70,536	\$ -	\$ -	\$ 407	\$ -	\$ 70,943
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ 2,235	\$ -	\$ -	\$ -	\$ -	\$ 2,235
(30) TOTAL EXPENSES	\$ 3,325,207	\$ 69,021,849	\$ 10,744,805	\$ 4,742,395	\$ 3,098,120	\$ 156,655	\$ 91,091,031
(31) OPERATING SURPLUS (DEFICIT)	\$ 48,111	\$ (1,292,912)	\$ 714,955	\$ 424,071	\$ (156,716)	\$ (7,194)	\$ (269,685)

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	\$ 1,808,542	\$ 528,732	\$ -	\$ 84,662	\$ 284,526			\$ 2,706,462	\$ 2,663,259
Uncertificated benefits	\$ 548,388	\$ 161,797	\$ -	\$ -	\$ 54,509			\$ 764,694	\$ 308,690
Sub-total Remuneration	\$ 2,356,930	\$ 690,529	\$ -	\$ 84,662	\$ 339,035			\$ 3,471,156	\$ 2,971,949
Supplies and services	\$ 302,924	\$ 900,090	\$ -	\$ 1,051,023	\$ 10,155			\$ 2,264,192	\$ 2,521,858
Electricity			\$ 680,374					\$ 680,374	\$ 699,309
Natural gas/heating fuel			\$ 344,183					\$ 344,183	\$ 343,517
Sewer and water			\$ 221,415					\$ 221,415	\$ 229,080
Telecommunications			\$ -					\$ -	\$ 781
Insurance					\$ 276,693			\$ 276,693	\$ 287,427
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 3,348,854	\$ 3,348,854	\$ 2,726,718
Unsupported						\$ 109,843		\$ 109,843	\$ 108,780
Total Amortization						\$ 109,843	\$ 3,348,854	\$ 3,458,697	\$ 2,837,498
Interest on capital debt									
Supported							\$ 26,095	\$ 26,095	\$ 46,144
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges								\$ -	\$ -
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 2,659,854	\$ 1,590,619	\$ 1,245,972	\$ 1,135,685	\$ 627,883	\$ 109,843	\$ 3,374,949	\$ 10,744,805	\$ 9,937,563

SQUARE METRES	2016 TOTAL Operations and Maintenance	2015 TOTAL Operations and Maintenance
School buildings	92,533.0	92,533.0
Non school buildings	7,150.0	7,150.0

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, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

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

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

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

Cash & Cash Equivalents	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 9,724,131	\$ 9,724,131	\$ 3,597,194
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%	(0)	(0)	-
Total cash and cash equivalents	0.00%	\$ 9,724,131	\$ 9,724,131	\$ 3,597,194

Portfolio Investments	2016			2015	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	0.65 -1.25%	2,265,162	2,265,162	2,265,162	6,438,252
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		\$ 2,265,162	\$ 2,265,162	\$ 2,265,162	\$ 6,438,252

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

	2016	2015
Under 1 year	4.1%	62.9%
1 to 5 years	95.9%	37.1%
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 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
Estimated useful life								
Historical cost								
Beginning of year	\$ 650,126	\$ 225,033	\$ 113,443,275	\$ 2,156,341	\$ 10,475,150	\$ 832,246	\$ 127,782,171	\$ 125,496,851
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	1,382,881	-	31,052	83,469	12,342	1,509,744	3,733,063
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	(11,989)	-	-	(1,175,805)	-	(1,187,794)	(1,447,743)
	\$ 650,126	\$ 1,595,925	\$ 113,443,275	\$ 2,187,393	\$ 9,382,814	\$ 844,588	\$ 128,104,121	\$ 127,782,171
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 50,629,319	\$ 1,696,920	\$ 6,554,512	\$ 544,877	\$ 59,425,628	\$ 57,100,832
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	3,475,920	87,128	688,668	93,369	4,345,085	3,690,920
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(1,102,650)	-	(1,102,650)	(1,366,123)
	\$ -	\$ -	\$ 54,105,239	\$ 1,784,048	\$ 6,140,530	\$ 638,246	\$ 62,668,063	\$ 59,425,629
Net Book Value at August 31, 2016	\$ 650,126	\$ 1,595,925	\$ 59,338,036	\$ 403,345	\$ 3,242,284	\$ 206,342	\$ 65,436,058	\$ -
Net Book Value at August 31, 2015	\$ 650,126	\$ 225,033	\$ 62,813,956	\$ 459,421	\$ 3,920,638	\$ 287,369	\$ 68,356,543	\$ -

	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
Trudy Bralland, Chair	1.00	\$27,950	\$5,035	\$0	\$0	\$0	\$0	\$11,299
Lorite Jess, Vice Chair	1.00	\$24,250	\$4,913	\$0	\$0	\$0	\$0	\$9,605
Pamela Hansen, Trustee	1.00	\$23,400	\$4,885	\$0	\$0	\$0	\$0	\$13,065
Robert Huff, Trustee	1.00	\$21,400	\$4,462	\$0	\$0	\$0	\$0	\$10,147
Donna Peterson, Trustee	1.00	\$22,500	\$4,286	\$0	\$0	\$0	\$0	\$10,424
Barb Walker, Trustee	1.00	\$18,500	\$4,723	\$0	\$0	\$0	\$0	\$6,755
	-	\$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
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	6.00	\$138,000	\$28,304	\$0	\$0	\$0	\$0	\$61,295
Larry Jacobs, Superintendent	0.79	\$159,098	\$11,530	\$0	\$0	\$202,439	\$0	\$5,299
Jayson Lovell, Superintendent	0.50	\$93,703	\$10,596	\$0	\$0	\$0	\$0	\$3,819
Joseph Henderson, Secretary-Treasurer	1.00	\$170,851	\$36,382	\$0	\$0	\$0	\$0	\$3,136
		\$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	458.50	\$41,166,210	\$9,185,617	\$0	\$0	\$0	\$0	\$0
Non-certificated - other	426.20	\$15,922,009	\$4,410,387	\$0	\$0	\$0	\$0	\$0
TOTALS	892.99	\$57,639,871	\$13,682,816	\$0	\$0	\$202,439	\$0	\$73,549

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

1. AUTHORITY AND PURPOSE

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

The division receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The 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

The School Division has investments in GIC's that have a maturity of greater than three months. 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.

Detailed information regarding portfolio investments is disclosed in the Schedule of Cash, Cash Equivalents, and Portfolio Investments.

d) Tangible Capital Assets

The following criteria applies:

- 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.

**Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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.
- 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 Division'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, at the following rates:

Buildings	25 - 40 years
Vehicles & Buses	5 - 10 years
Computer Hardware & Software	5 - 10 years
Other Equipment & Furnishings	3 - 5 years

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 (PSAS) 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 represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.

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

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.

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 or 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. Should the future benefits cost be considered material they will be 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.

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. The School Division does not have an asset retirement obligation at yearend.

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 Changes 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, 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 Division has to meet in order to receive certain contributions. *Stipulations* describe what 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 that 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.

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Wolf Creek 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 \$4,934,250 (2015 - \$4,766,220).

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 \$1,519,902 for the year ended August 31, 2016 (2015 - \$1,516,121). At December 31, 2015, the Local Authorities Pension Plan reported an actuarial deficiency of \$923,416,000 (2014 deficiency of \$2,454,636,000).

l) Program Reporting

The Division's operations have been segmented as follows:

- **ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services 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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

certificated teachers, non-certificated teaching assistants as well as a proportionate share of supplies & services, school administration & instruction support, and System Instructional Support.

m) 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. Provisions of the agreement require that 0% of the income is reinvested each year. 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 or losses associated with the endowment are recorded in the Statement of Remeasurement Gains and Losses.

n) 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 10.

o) 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, 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.

All 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.

p) 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.

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

3. ACCOUNTS RECEIVABLE

	2016			2015
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 50,189	\$ -	\$ 50,189	\$ 10,699
Alberta Education - Capital	-	-	-	2,230,587
Other Alberta school jurisdictions	27,880	-	27,880	861
Alberta Treasury Board and Finance - Principal	216,620	-	216,620	384,745
Alberta Treasury Board and Finance - Accrued interest	10,354	-	10,354	19,644
Alberta Health Services	17,667	-	17,667	-
Federal government	136,426	-	136,426	186,104
Municipalities	203,839	-	203,839	40,000
First Nations	-	-	-	341,790
Other	431,832	-	431,832	205,488
Total	\$ 1,094,807	\$ -	\$ 1,094,807	\$ 3,419,918

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Alberta Education	\$ 21,657	\$ -
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	10,354	19,466
Accrued vacation pay liability	317,992	349,081
Other salaries & benefit costs	343,795	62,487
Other trade payables and accrued liabilities	1,646,800	1,806,637
Total	\$ 2,340,598	\$ 2,237,671

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2016

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 Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2016
Unexpended deferred operating revenue				
Alberta Education:				
Student Health Initiative (School Authorities)	\$ 23,492	\$ 25,000	\$ (33,413)	\$ 15,079
Infrastructure Maintenance Renewal	2,889,934	1,424,147	(1,476,911)	2,837,170
Other Deferred Revenue:				
School Generated Funds	329,222	171,983	(329,222)	171,983
Fees	366,254	318,011	(366,254)	318,011
Other	36,970	14,902	(36,970)	14,902
Total unexpended deferred operating revenue	\$ 3,645,872	\$ 1,954,043	\$ (2,242,770)	\$ 3,357,145
Unexpended deferred capital revenue	455,586	392,933	(776,498)	72,021
Expended deferred capital revenue	60,062,692	776,498	(3,360,498)	57,478,692
Total	\$ 64,164,150	\$ 3,123,474	\$ (6,379,766)	\$ 60,907,858

6. DEBT

	2016	2015
Supported debentures outstanding at August 31, 2016 have interest rates between 7.625% to 10.125%. The terms of the debentures is 25 years, payments made annually supported by Alberta Education.	\$ 216,620	\$ 384,745
Total	\$ 216,620	\$ 384,745

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.625% and 10.125%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next three years are:

	Principal	Interest	Total
2016-2017	120,125	19,148	139,273
2017-2018	76,495	8,127	84,622
2018-2019	20,000	1,525	21,525
Total	\$ 216,620	\$ 28,800	\$ 245,420

Wolf Creek School Division No. 72
Notes to the Financial Statements
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7. PREPAID EXPENSES

	2016	2015
Prepaid insurance	\$ 172,768	\$ -
Scholastic Canada	-	148,049
Xerox Canada	-	184,189
Other	243,938	567,569
Total	\$ 416,706	\$ 715,618

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	\$ 3,702,789	\$ 3,747,033
Operating reserves	724,518	1,338,504
Accumulated surplus (deficit) from operations	\$ 4,427,307	\$ 5,085,537
Investment in tangible capital assets	7,957,366	8,293,851
Capital reserves	2,892,460	2,167,430
Endowments ⁽¹⁾	197,805	197,805
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	\$ 15,474,938	\$ 15,744,623

Accumulated surplus from operations (ASO) include funds of \$724,518 (2015 - \$599,057) that are raised at school level and are not available to spend at board level. The school jurisdiction's adjusted surplus from operations is calculated as follows:

	2016	2015
Accumulated surplus (deficit) from operations	\$ 4,427,307	\$ 5,085,537
Deduct: School generated funds included in accumulated surplus (Note 12)	(724,518)	(599,057)
Adjusted accumulated surplus (deficit) from operations ⁽²⁾	\$ 3,702,789	\$ 4,486,480

⁽¹⁾ Terms of the endowments stipulate that the principal balance be maintained permanently. Investment income of \$2,235 (2015 - \$3,508) is externally restricted for scholarships and is included in deferred revenue.

⁽²⁾ Adjusted accumulated surplus (deficit) from operations represents funds available for use by the school jurisdiction after deducting funds raised at school-level.

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9. CONTRACTUAL OBLIGATIONS

	2016	2015
Building leases ⁽¹⁾	\$ 85,332	\$ 138,577
Service providers ⁽²⁾	1,174,456	1,176,083
Other - Printer lease ⁽³⁾	178,404	178,404
Total	\$ 1,438,192	\$ 1,493,064

- (1) Buildings leases - The jurisdiction is committed to lease school space from the following entities:
- a. School space for the Lacombe Outreach School is leased from the Pentecostal Church at an annual rental price of \$55,884. Lease expires July 2019.
 - b. School space for the West Country Outreach School is leased from the 1087374 Alberta Ltd. at an annual rental price of \$29,448. Lease expires August 2018.
- (2) Service providers - The jurisdiction is committed to the following service contracts:
- a. Energy services provided by Johnson Controls up to December 2019. Contract costs are \$454,428 for the 2016/2017 school year, \$463,517 for the 2017/2018 school year, \$473,454 for the 2018/2019 school year, and \$158,966 for the 2019/2020 school year.
 - b. Busing services provided by Cardinal Coach Lines Ltd. up to August 2019. Contract costs are \$446,340 for the 2016/2017 school year, \$460,270 for the 2017/2018 school years, and \$474,470 for the 2018/2019 school year.
 - c. Special education busing services provided by Cardinal Coach Lines Ltd. up to August 2017. Contract cost of \$370,820 for the 2017/2018 school year.
- (3) Other – The school jurisdiction is committed to a printer/copier lease from Xerox for \$176,472 annually, expiring in the 2020/2021 school year.

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

	Building Leases	Service Providers	Other
2016-2017	\$ 85,332	\$ 1,271,588	\$ 176,472
2017-2018	85,332	923,787	176,472
2018-2019	51,227	947,924	176,472
2019-2020	-	158,966	176,472
2020-2021	-	-	176,472
	\$ 221,891	\$ 3,302,265	\$ 1,073,617

10. CONTINGENT LIABILITIES

The school division is a member of Alberta School Boards Insurance Exchange (ASBIE). Under the terms of its membership, the school division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange.

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Notes to the Financial Statements
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11. TRUSTS UNDER ADMINISTRATION

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

	2016	2015
Deferred salary leave plan	\$ 126,644	\$ 84,559
Scholarship trusts	146,266	144,569
Other trusts - fundraising	106,813	84,895
Total	<u>\$ 379,723</u>	<u>\$ 314,023</u>

12. SCHOOL GENERATED FUNDS

	2016	2015
School Generated Funds, Beginning of Year	\$ 928,279	\$ 1,030,879
Gross Receipts:		
Fees	\$ 663,416	\$ 827,074
Fundraising	1,049,813	1,010,270
Gifts and donations	318,344	292,807
Grants to schools	-	-
Other sales and services	28,536	16,958
Total gross receipts	<u>\$ 2,060,109</u>	<u>\$ 2,147,109</u>
Total Related Expenses and Uses of Funds	1,638,080	1,857,361
Total Direct Costs Including Cost of Goods Sold to Raise Funds	453,807	392,348
School Generated Funds, End of Year	<u>\$ 896,501</u>	<u>\$ 928,279</u>
Balance included in Deferred Revenue	\$ 171,983	\$ 329,222
Balance included in Accumulated Surplus (Operating Reserves)	\$ 724,518	\$ 599,057

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Notes to the Financial Statements
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13. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school division. 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):				
Education				
Accounts receivable / Accounts payable	\$ 50,189	\$ 21,657		
Prepaid expenses / Deferred operating revenue		2,837,170		
Unexpended deferred capital revenue		72,021		
Expended deferred capital revenue		57,478,692	3,360,498	
Grant revenue & expenses			74,470,315	
ATRF payments made on behalf of district			4,934,250	
Other revenues & expenses			-	
Other Alberta school jurisdictions	27,880	-		57,292
Alberta Treasury Board and Finance (Principal)	216,620			
Alberta Treasury Board and Finance (Accrued interest)	10,354		26,095	
Alberta Health Services	17,667	-	106,000	
Post-secondary institutions	-	15,079	25,029	33,413
Alberta Justice	-	-		29,870
Other:				
Alberta Pension Services Corporation	-	-	-	2,932,161
TOTAL 2015/2016	\$ 322,710	\$ 60,424,619	\$ 82,922,187	\$ 3,052,736
TOTAL 2014/2015	\$ 2,646,536	\$ 63,431,697	\$ 78,905,442	\$ 5,791,986

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The division'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 division and approved by the Board of Trustees on June 23, 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.

SCHEDULE 8

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

	Actual 2016	Actual 2015
FEES		
Transportation fees	\$100,803	\$115,304
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$477,938	\$485,373
Technology user fees	\$0	\$0
Alternative program fees	\$7,950	\$0
Fees for optional courses (band, art, etc.)	\$287,153	\$390,447
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$151,461	\$133,220
Extracurricular fees (sports teams and clubs)	\$313,767	\$310,162
Field trips (related to curriculum)	\$264,844	\$305,792
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$390,874	\$227,542
Other (describe)*	\$0	\$0
Other (describe)* Adult Student Fees	\$33,337	\$153,336
Other (describe)* Hockey Academy	\$0	\$9,175
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$2,028,127	\$2,130,351

*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	\$502,614	\$244,342
Special events, graduation, tickets	\$200,170	\$6,307
Student travel (international, recognition trips, non-curricular)	\$41,268	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$33,837	\$218,357
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe) Hutterite Colony Contribution for Budget Shortfall	\$49,010	\$89,833
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
TOTAL	\$826,899	\$558,839

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					
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ 328,101	\$ 1,345,005	\$ 289,813	\$ 5,688,357	\$ 1,162,389
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ 298,002	\$ -
TOTAL REVENUES	\$ 328,101	\$ 1,345,005	\$ 289,813	\$ 5,986,359	\$ 1,162,389
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 112,485	\$ 58,204	\$ -	\$ 1,844,392	
Instructional non-certificated salaries & benefits	\$ 231,198	\$ 881,561	\$ -	\$ 6,053,179	
SUB TOTAL	\$ 343,683	\$ 939,765	\$ -	\$ 7,897,571	
Supplies, contracts and services	\$ 22,649	\$ 405,240	\$ 300,000	\$ 39,862	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 366,332	\$ 1,345,005	\$ 300,000	\$ 7,937,433	
NET FUNDING SURPLUS (SHORTFALL)	\$ (38,231)	\$ -	\$ (10,187)	\$ (1,951,074)	

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	TOTAL	
Office of the superintendent	\$ 514,262	\$ 9,118	\$ -	\$ 523,380	\$ -	\$ -	\$ -	\$ 523,380	
Educational administration (excluding superintendent)	\$ 150,831	\$ -	\$ -	\$ 150,831	\$ -	\$ -	\$ -	\$ 150,831	
Business administration	\$ 771,942	\$ 517,120	\$ 407	\$ 1,289,469	\$ -	\$ -	\$ -	\$ 1,289,469	
Board governance (Board of Trustees)	\$ 166,744	\$ 205,540	\$ -	\$ 372,284	\$ -	\$ -	\$ -	\$ 372,284	
Information technology	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Human resources	\$ 200,210	\$ 16,007	\$ -	\$ 216,217	\$ -	\$ -	\$ -	\$ 216,217	
Central purchasing, communications, marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Payroll	\$ 251,513	\$ 10,000	\$ -	\$ 261,513	\$ -	\$ -	\$ -	\$ 261,513	
Administration - insurance			\$ 130,111	\$ 130,111				\$ 130,111	
Administration - amortization			\$ 120,134	\$ 120,134				\$ 120,134	
Administration - other (admin building, interest)			\$ 34,181	\$ 34,181				\$ 34,181	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 2,055,502	\$ 757,785	\$ 284,833	\$ 3,098,120	\$ -	\$ -	\$ -	\$ 3,098,120	