

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

**Pembina Hills Regional Division No. 7**

Legal Name of School Jurisdiction

**5310 - 49 Street Barrhead AB T7N 1P3**

Mailing Address

**(780)674-8500 (780)674-3262 tracy.meunier@phpschools.ca**

Telephone & Fax Numbers, and Email Address

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

The financial statements of Pembina Hills Regional Division No. 7 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**

Jennifer Tuininga  
Name

  
Signature

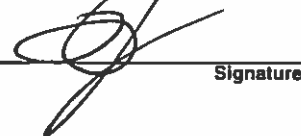
**SUPERINTENDENT**

Colleen Symyrozum-Watt  
Name

  
Signature

**SECRETARY-TREASURER OR TREASURER**

Tracy Meunier  
Name

  
Signature

November 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: mel-ling.irwin@gov.ab.ca AND robert.mah@gov.ab.ca  
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# Shoemaker, Viney & Friesen

CHARTERED ACCOUNTANTS

John S. Shoemaker Professional Corporation

Tina J. Viney Professional Corporation



Timothy J. Friesen Professional Corporation

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## INDEPENDENT AUDITOR'S REPORT

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To the Boards of Pembina Hills Regional School Division #7

We have audited the accompanying financial statements of Pembina Hills Regional School Division #7, which comprise the statement of financial position as at August 31, 2016 and the statements of revenues and expenditures, changes in net 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 accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pembina Hills Regional School Division #7 as at August 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Westlock, Alberta  
November 23, 2016



CHARTERED ACCOUNTANTS

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

		2016	2015
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 5,431,207	\$ 12,121,362
Accounts receivable (net after allowances)	(Note 4)	\$ 5,862,041	\$ 2,181,555
Portfolio investments	(Schedule 5)	\$ -	\$ -
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		\$ 11,293,249	\$ 14,302,917
<b>LIABILITIES</b>			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 2,294,507	\$ 1,987,477
Deferred revenue	(Note 7)	\$ 31,013,305	\$ 27,908,787
Employee future benefit liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 8)		
Supported: Debentures and other supported debt		\$ 134,294	\$ 279,991
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		\$ 33,442,106	\$ 30,176,255
<b>Net financial assets (debt)</b>		\$ (22,148,857)	\$ (15,873,338)
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6)		
Land		\$ 512,834	\$ 512,834
Construction in progress		\$ -	\$ -
Buildings	\$ 62,489,731		
Less: Accumulated amortization	\$ (31,930,827)	\$ 30,558,904	\$ 26,159,835
Equipment	\$ 332,100		
Less: Accumulated amortization	\$ (302,560)	\$ 29,541	\$ 28,570
Vehicles	\$ 9,066,280		
Less: Accumulated amortization	\$ (5,708,768)	\$ 3,357,512	\$ 2,867,363
Computer Equipment	\$ 225,168		
Less: Accumulated amortization	\$ (141,972)	\$ 83,196	\$ 148,430
<b>Total tangible capital assets</b>		\$ 34,541,987	\$ 29,717,032
Prepaid expenses	(Note 9)	\$ 233,610	\$ 220,028
Other non-financial assets	(Note 10)	\$ 407,661	\$ 427,557
<b>Total non-financial assets</b>		\$ 35,183,258	\$ 30,364,617
<b>Accumulated surplus</b>	(Schedule 1; Note 11)	\$ 13,034,401	\$ 14,491,280
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 13,034,401	\$ 14,491,280
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 13,034,401	\$ 14,491,280
<b>Contractual obligations</b>	(Note 12)		
<b>Contingent liabilities</b>	(Note 13)		

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

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

	Budget 2016	Actual 2016	Actual 2015
<b>REVENUES</b>			
Alberta Education	\$ 53,270,865	\$ 56,136,789	\$ 53,953,638
Other - Government of Alberta	\$ 220,000	\$ 313,511	\$ 880,445
Federal Government and First Nations	\$ 29,600	\$ 18,648	\$ 44,219
Other Alberta school authorities	\$ 56,000	\$ 85,163	\$ 62,711
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ 78,634
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8), Note 14	\$ 886,555	\$ 915,081	\$ 705,911
Other sales and services	\$ 309,758	\$ 665,855	\$ 387,535
Investment income	\$ 193,500	\$ 196,046	\$ 235,281
Gifts and donations	\$ 8,000	\$ 38,723	\$ 55,890
Rental of facilities	\$ 54,900	\$ 60,381	\$ 96,704
Fundraising	\$ 150,000	\$ 103,293	\$ 111,460
Gains on disposal of capital assets	\$ -	\$ 41,335	\$ 7,778
Other revenue	\$ 240,000	\$ 156,182	\$ 237,188
<b>Total revenues</b>	<b>\$ 55,419,178</b>	<b>\$ 58,731,006</b>	<b>\$ 56,857,394</b>
<b>EXPENSES</b>			
Instruction - ECS	\$ 2,905,179	\$ 3,180,553	\$ 3,539,826
Instruction - Grades 1 - 12	\$ 42,003,619	\$ 42,644,018	\$ 40,802,380
Plant operations and maintenance	\$ 5,583,489	\$ 7,410,308	\$ 5,846,943
Transportation	\$ 4,728,197	\$ 4,758,202	\$ 4,963,192
Board & system administration	\$ 1,991,439	\$ 2,075,927	\$ 1,828,336
External services	\$ 84,500	\$ 118,876	\$ 94,324
<b>Total expenses</b>	<b>\$ 57,296,423</b>	<b>\$ 60,187,884</b>	<b>\$ 57,075,001</b>
<b>Operating surplus (deficit)</b>	<b>\$ (1,877,245)</b>	<b>\$ (1,456,878)</b>	<b>\$ (217,606)</b>

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

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

	2016	2015
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ (1,456,878)	\$ (217,606)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 2,107,498	\$ 1,728,274
Gains on disposal of tangible capital assets	\$ (41,335)	\$ (7,778)
Losses on disposal of tangible capital assets	\$ -	\$ 427
Expended deferred capital revenue recognition	\$ (1,461,071)	\$ (1,086,443)
Deferred capital revenue write-down / adjustment	\$ 36,934	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (3,680,486)	\$ 1,670,827
Prepays	\$ (13,582)	\$ (56,784)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ 19,896	\$ (60,056)
Accounts payable, accrued and other liabilities	\$ 307,030	\$ 335,009
Deferred revenue (excluding EDCR)	\$ 4,565,589	\$ 8,903,640
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 383,595</b>	<b>\$ 11,209,510</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (5,960,446)	\$ (9,820,701)
Equipment	\$ (12,090)	\$ -
Vehicles	\$ (1,029,499)	\$ (889,012)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 73,984	\$ 13,211
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (6,928,053)</b>	<b>\$ (10,696,502)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (145,697)	\$ (289,696)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other factors affecting capital leases (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ (145,697)</b>	<b>\$ (289,696)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ (6,690,155)</b>	<b>\$ 223,312</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 12,121,362</b>	<b>\$ 11,898,050</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 5,431,207</b>	<b>\$ 12,121,362</b>

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)	\$ (1,877,245)	\$ (1,456,878)	\$ (217,606)
<b>Effect of changes in tangible capital assets</b>			
Acquisition of tangible capital assets	\$ (5,995,000)	\$ (7,002,036)	\$ (10,709,713)
Amortization of tangible capital assets	\$ 2,470,746	\$ 2,107,498	\$ 1,728,274
Net carrying value of tangible capital assets disposed of	\$ -	\$ 69,583	\$ 5,860
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ (3,524,254)	\$ (4,824,955)	\$ (8,975,580)
<b>Changes in:</b>			
Prepaid expenses	\$ -	\$ (13,582)	\$ (56,784)
Other non-financial assets	\$ -	\$ 19,896	\$ (60,056)
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ (5,401,499)	\$ (6,275,519)	\$ (9,310,026)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (15,873,338)	\$ (15,873,338)	\$ (6,563,312)
<b>Net financial assets (net debt) at end of year</b>	\$ (21,274,837)	\$ (22,148,857)	\$ (15,873,338)

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)	\$ (1,456,878)	\$ (217,606)
<b>Effect of changes in tangible capital assets</b>		
Acquisition of tangible capital assets	\$ (7,002,036)	\$ (10,709,713)
Amortization of tangible capital assets	\$ 2,107,498	\$ 1,728,274
Net carrying value of tangible capital assets disposed of	\$ 69,583	\$ 5,860
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	<b>\$ (4,824,955)</b>	<b>\$ (8,975,580)</b>
<b>Changes in:</b>		
Prepaid expenses	\$ (13,582)	\$ (56,784)
Other non-financial assets	\$ 19,896	\$ (60,056)
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	<b>\$ (6,275,519)</b>	<b>\$ (9,310,026)</b>
<b>Net financial assets (net debt) at beginning of year</b>	<b>\$ (15,873,338)</b>	<b>\$ (6,563,312)</b>
<b>Net financial assets (net debt) at end of year</b>	<b>\$ (22,148,857)</b>	<b>\$ (15,873,338)</b>

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



**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**For the Year Ended August 31, 2016 (in dollars)**

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

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

**SCHEDULE 1**

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2015	\$ 14,491,280	\$ -	\$ 14,491,280	\$ 4,577,649	\$ -	\$ 903,066	\$ 7,721,223	\$ 1,289,343
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 14,491,280	\$ -	\$ 14,491,280	\$ 4,577,649	\$ -	\$ 903,066	\$ 7,721,223	\$ 1,289,343
Operating surplus (deficit)	\$ (1,456,878)		\$ (1,456,878)			\$ (1,456,878)		
Board funded tangible capital asset additions				\$ 1,041,569		\$ -	\$ (31,416)	\$ (1,010,173)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (32,649)		\$ -		\$ 32,649
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	\$ -			\$ (2,107,498)		\$ 2,107,498		
Capital revenue recognized	\$ -			\$ 1,461,071		\$ (1,461,071)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (167,420)	\$ 167,420	
Net transfers from operating reserves	\$ -					\$ 1,480,419	\$ (1,480,419)	
Net transfers to capital reserves	\$ -					\$ (502,549)		\$ 502,549
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 13,034,401	\$ -	\$ 13,034,401	\$ 4,940,161	\$ -	\$ 903,066	\$ 6,376,807	\$ 814,368

**SCHEDULE 1**

School Jurisdiction Code:

1175

**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	\$ 7,085,322	\$ -	\$ 9,902	\$ 103,360	\$ 633,018	\$ 679,108	\$ (7,019)	\$ 506,874	\$ (0)	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 7,085,322	\$ -	\$ 9,902	\$ 103,360	\$ 633,018	\$ 679,108	\$ (7,019)	\$ 506,874	\$ (0)	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ (31,416)	\$ -	\$ -	\$ (81,977)	\$ -	\$ -	\$ -	\$ (928,196)	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ -		\$ -		\$ 32,649		\$ -	\$ -	\$ -
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												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ 38,106		\$ 27,623		\$ 63,654		\$ 38,036		\$ -			
Net transfers from operating reserves	\$ (1,260,877)		\$ -		\$ (154,296)		\$ (65,246)		\$ -			
Net transfers to capital reserves		\$ -		\$ 39,056		\$ -		\$ 463,493		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 5,831,135	\$ -	\$ 37,525	\$ 60,439	\$ 542,376	\$ 679,108	\$ (34,229)	\$ 74,821	\$ (0)	\$ -	\$ -	\$ -

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
Balance at August 31, 2015	\$ (0)	\$ -	\$ -	\$ -	\$ 25,139,385
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ (0)	\$ -	\$ -	\$ -	\$ 25,139,385
<b>Add:</b>					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 3,807,659				
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)	\$ 2,152,787				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (5,960,446)	\$ -	\$ -	\$ -	\$ 5,960,446
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
Net book value of supported tangible capital dispositions or write-offs					\$ 36,934
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 1,461,071
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
<b>Balance at August 31, 2016</b>	\$ (0)	\$ -	\$ -	\$ -	\$ 29,601,826
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)</b>				\$ (0)	

**Unexpended Deferred Capital Revenue**

- (A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.
- (B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.
- (C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.
- (D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

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

REVENUES	2016										2015
	Instruction		Plant Operations and Maintenance		Transportation	Board & System Administration	External Services	TOTAL	TOTAL	TOTAL	
	ECS	Grades 1 - 12									
(1) Alberta Education	\$ 2,990,887	\$ 39,657,675	\$ 7,347,073	\$ 4,229,313	\$ -	\$ 1,911,840	\$ -	\$ 56,136,789	\$ 53,953,638		
(2) Other - Government of Alberta	\$ 6,808	\$ 192,350	\$ 34,751	\$ -	\$ -	\$ -	\$ 79,601	\$ 313,511	\$ 880,445		
(3) Federal Government and First Nations	\$ -	\$ 18,648	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,648	\$ 44,219		
(4) Other Alberta school authorities	\$ -	\$ 85,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,163	\$ 62,711		
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,634		
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(8) Fees	\$ 72,673	\$ 500,177	\$ -	\$ 308,828	\$ -	\$ -	\$ 33,402	\$ 915,081	\$ 705,911		
(9) Other sales and services	\$ -	\$ 569,289	\$ 7,645	\$ 82,790	\$ -	\$ 260	\$ 5,872	\$ 665,855	\$ 387,535		
(10) Investment income	\$ -	\$ 152,906	\$ 2,919	\$ 30,690	\$ -	\$ 9,531	\$ -	\$ 196,046	\$ 235,281		
(11) Gifts and donations	\$ -	\$ 38,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,723	\$ 55,890		
(12) Rental of facilities	\$ -	\$ 18,919	\$ 41,462	\$ -	\$ -	\$ -	\$ -	\$ 60,381	\$ 96,704		
(13) Fundraising	\$ -	\$ 103,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,293	\$ 111,460		
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ 41,335	\$ -	\$ -	\$ -	\$ 41,335	\$ 7,778		
(15) Other revenue	\$ -	\$ 156,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,182	\$ 237,188		
(16) <b>TOTAL REVENUES</b>	\$ 3,070,369	\$ 41,493,325	\$ 7,433,850	\$ 4,692,956	\$ -	\$ 1,921,631	\$ 118,876	\$ 58,731,006	\$ 56,857,394		
<b>EXPENSES</b>											
(17) Certificated salaries	\$ 1,189,628	\$ 22,611,306	\$ -	\$ -	\$ -	\$ 257,606	\$ -	\$ 24,058,540	\$ 22,507,760		
(18) Certificated benefits	\$ 322,288	\$ 6,125,733	\$ -	\$ -	\$ -	\$ 61,358	\$ -	\$ 6,509,379	\$ 6,237,528		
(19) Non-certificated salaries and wages	\$ 1,039,925	\$ 6,555,097	\$ 701,703	\$ 2,202,843	\$ 37,010	\$ 868,473	\$ 37,010	\$ 11,405,049	\$ 11,588,166		
(20) Non-certificated benefits	\$ 282,168	\$ 1,778,627	\$ 163,138	\$ 638,340	\$ 5,413	\$ 200,345	\$ 5,413	\$ 3,068,031	\$ 3,103,658		
(21) SUB - TOTAL	\$ 2,834,008	\$ 37,070,763	\$ 864,940	\$ 2,841,183	\$ 42,423	\$ 1,387,781	\$ 42,423	\$ 45,040,998	\$ 43,437,112		
(22) Services, contracts and supplies	\$ 346,545	\$ 5,508,138	\$ 5,006,509	\$ 1,442,500	\$ -	\$ 624,491	\$ 76,453	\$ 13,004,637	\$ 11,836,292		
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 1,461,071	\$ -	\$ -	\$ -	\$ -	\$ 1,461,071	\$ 1,086,443		
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 65,117	\$ 43,137	\$ 474,519	\$ -	\$ 63,654	\$ -	\$ 646,427	\$ 641,831		
(25) Supported interest on capital debt	\$ -	\$ -	\$ 34,751	\$ -	\$ -	\$ -	\$ -	\$ 34,751	\$ 72,896		
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427		
(30) <b>TOTAL EXPENSES</b>	\$ 3,180,553	\$ 42,644,018	\$ 7,410,308	\$ 4,758,202	\$ -	\$ 2,075,927	\$ 118,876	\$ 60,187,884	\$ 57,075,001		
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ (110,184)	\$ (1,150,694)	\$ 23,542	\$ (65,246)	\$ -	\$ (154,296)	\$ -	\$ (1,456,878)	\$ (217,606)		

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	\$ -	\$ 359,870	\$ -	\$ 201,028	\$ 140,807			\$ 701,703	\$ 635,435
Uncertificated benefits	\$ -	\$ 65,033	\$ -	\$ 67,009	\$ 31,096			\$ 163,138	\$ 137,678
Sub-total Remuneration	\$ -	\$ 424,903	\$ -	\$ 268,035	\$ 171,903			\$ 864,840	\$ 773,112
Supplies and services	\$ 1,080,790	\$ 709,221	\$ -	\$ 2,099,474	\$ 14,082			\$ 3,903,566	\$ 2,799,564
Electricity			\$ 526,647					\$ 526,647	\$ 451,305
Natural gas/heating fuel			\$ 261,877					\$ 261,877	\$ 289,664
Sewer and water			\$ 103,015					\$ 103,015	\$ 117,006
Telecommunications			\$ 16,217					\$ 16,217	\$ 14,839
Insurance				\$ 195,186				\$ 195,186	\$ 188,665
ASAP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets								\$ -	\$ -
Supported							\$ 1,481,043	\$ 1,481,043	\$ 1,086,443
Unsupported						\$ 23,165		\$ 23,165	\$ 43,420
Total Amortization						\$ 23,165	\$ 1,481,043	\$ 1,504,208	\$ 1,129,863
Interest on capital debt								\$ -	\$ -
Supported							\$ 34,751	\$ 34,751	\$ 72,896
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges								\$ -	\$ -
Losses on disposal of capital assets								\$ -	\$ -
TOTAL EXPENSES	\$ 1,080,790	\$ 1,134,123	\$ 907,757	\$ 2,367,509	\$ 381,170	\$ 23,165	\$ 1,515,784	\$ 7,410,308	\$ 5,846,943
SQUARE METRES									
School buildings								\$ 57,203.5	\$ 57,041.5
Non school buildings								\$ 4,244.8	\$ 4,244.8

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		\$ -	\$ 5,431,207	\$ 12,121,362
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%	-	-	-
<b>Total cash and cash equivalents</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ 5,431,207</b>	<b>\$ 12,121,362</b>

See Note 3 for additional detail.

**Portfolio Investments**

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

See Note 5 for additional detail.

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

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

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

Tangible Capital Assets	2016						2015
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total
Estimated useful life							
Historical cost							
Beginning of year	\$ 512,834	\$ -	\$ 58,886,917	\$ 390,130	\$ 8,256,621	\$ 190,832	\$ 68,237,334
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	-	5,960,446	12,090	1,029,499	-	7,002,036
Transfers in (out)	-	-	(34,336)	(34,336)	-	34,336	-
Less disposals including write-offs	-	-	(2,357,632)	(35,784)	(219,840)	-	(2,613,256)
	\$ 512,834	\$ -	\$ 62,489,731	\$ 332,100	\$ 9,066,280	\$ 225,168	\$ 72,626,114
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 32,727,082	\$ 361,560	\$ 5,399,258	\$ 42,402	\$ 38,520,302
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	1,524,443	76,353	506,701	-	2,107,498
Other additions	-	-	-	(99,570)	-	99,570	-
Transfers in (out)	-	(0)	(2,320,698)	(35,784)	(187,191)	-	(2,543,673)
Less disposals including write-offs	-	-	\$ 31,930,827	\$ 302,560	\$ 5,708,768	\$ 141,972	\$ 38,084,127
	\$ -	\$ -	\$ 30,558,904	\$ 29,541	\$ 3,357,512	\$ 83,196	\$ 34,541,987
<b>Net Book Value at August 31, 2016</b>	<b>\$ 512,834</b>	<b>\$ -</b>	<b>\$ 26,159,835</b>	<b>\$ 28,570</b>	<b>\$ 2,867,363</b>	<b>\$ 148,430</b>	<b>\$ 29,717,032</b>
Net Book Value at August 31, 2015	\$ 512,834	\$ -	\$ 26,159,835	\$ 28,570	\$ 2,867,363	\$ 148,430	\$ 29,717,032

	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
Tuninga, Jennifer (Chair)	1.00	\$40,768	\$6,726	\$0	\$0	\$0	\$0	\$5,328
Bokenfohr, Annette	1.00	\$22,246	\$5,809	\$0	\$0	\$0	\$0	\$4,095
Combeau, Jackie	1.00	\$25,872	\$5,989	\$0	\$0	\$0	\$0	\$6,728
Hofbart, Jan	1.00	\$20,874	\$5,741	\$0	\$0	\$0	\$0	\$2,686
Lefebvre, Judy	1.00	\$25,872	\$3,446	\$0	\$0	\$0	\$0	\$2,287
Watson, Shari	1.00	\$24,402	\$5,916	\$0	\$0	\$0	\$0	\$6,980
Webster, Kim	1.00	\$22,638	\$5,829	\$0	\$0	\$0	\$0	\$2,735
	-	\$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
<b>Subtotal</b>	<b>7.00</b>	<b>\$182,672</b>	<b>\$39,456</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,838</b>
Symyrozum-Watt, Colleen, Superintendent	1.00	\$206,966	\$36,522	\$0	\$0	\$0	\$0	\$1,792
Meunier, Tracy, Secretary-Treasurer	1.00	\$168,201	\$41,909	\$0	\$0	\$0	\$0	\$3,383
	-	\$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
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Certificated teachers</b>	<b>247.00</b>	<b>\$23,851,554</b>	<b>\$6,472,857</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-certificated - other</b>	<b>303.60</b>	<b>\$11,054,177</b>	<b>\$2,986,666</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTALS</b>	<b>559.60</b>	<b>\$35,463,589</b>	<b>\$9,577,410</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,014</b>

# PEMBINA HILLS REGIONAL DIVISION NO. 7

## Notes to the Financial Statements

For the Year Ended August 31, 2016

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### 1. AUTHORITY AND PURPOSE

*PS 1000, PS 1100*

Pembina Hills Regional Division No. 7 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. Pembina Hills Regional Division No. 7 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

*PS 1201.104-.105*

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

*PS 3041, PS 3450*

Pembina Hills Regional Division No. 7 has no investments in GIC's, term deposits, bonds, equity instruments or mutual funds that have no maturity dates or have a maturity of greater than 3 months. GIC's, term deposits and other investments not quoted in an active market are reported at cost or amortized cost.

d) Tangible Capital Assets

*PS 3150*

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.
- Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.

- 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.
- 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 25%
Other Equipment & Furnishings	10% to 20%

e) Deferred Revenue

*PS 3100, 3410.16, .17, .19, .25*

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

Deferred revenue also includes contributions for capital expenditures, unexpended and expended:

- Unexpended Deferred Capital Revenue

*PS 3100, 3410.16, .17, .19, .25*

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

*PS 3100, 3410.16, .17, .19, .25*

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 use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

*PS 3250.84, .100-.104, PS 3255.35-.36*

Pembina Hills Regional Division No. 7 has no Employee Future Benefits.

g) Asset Retirement Obligations

*HB 3110.21, PS 3300*

Pembina Hills Regional Division No. 7 has no asset retirement obligations at August 31, 2015.

h) Operating and Capital Reserves

*PSG-4*

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  
*PS 3410.08, .16, .17, .19, 3510*

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

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

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

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

j) Expenses  
*PS 1201.85 - .88*

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  
*PS 3250*

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

Current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the Pembina Hills 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 \$4,081,405 (2015 \$3,548,794). NOTE: This includes contributions for Teachers at the Alberta Distance Learning Centre whose salaries are recorded in a separate audited financial statement.

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 \$633,455.65 for the year ended August 31, 2016 (2015 \$623,999). 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  
*PS 2700.07, .26*

The Division's operations have been segmented as follows:

- **ECS:** The provision of Early Childhood Services education that fall under the basic public education mandate.
- **Grade 12 Instruction:** The provision of 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.

m) Scholarship Endowment Funds  
*HB 4410.29, .49*

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.

Reinvestment of the endowment principal represents a direct increase to accumulated surplus. The remaining income earned on endowment principal is recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met. Undisbursed funds earned on endowment principal are recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met.

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

n) Trusts Under Administration  
*PS 1300.40, .46*

Pembina Hills Regional Division No. 7 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 19.

o) Financial Instruments  
*PS 3450*

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, bank indebtedness, accounts payable and accrued liabilities, debt and other liabilities. Unless otherwise noted, it is management's opinion that the School District is not

exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

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

p) Measurement Uncertainty  
*PS 2130*

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.

q) Liability for Contaminated Sites  
*PS 3260*

There are sites within Pembina Hills that may contain contamination. Some of the sites are currently in productive use and there is no plan to change the use of these sites in the foreseeable future. Other sites are not in productive use and there would be an indeterminate level of contamination in the event that the structures were altered in any significant manner, and at present no estimates are available.

**3. CASH AND CASH EQUIVALENTS**

	2016			2015
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	-	\$ -	\$ 5,431,207	\$ 12,121,362
Cash equivalents				
Other, including GICs	%	-	-	-
Total cash and cash equivalents		<u>\$ -</u>	<u>\$ 5,431,207</u>	<u>\$ 12,121,362</u>

#### 4. ACCOUNTS RECEIVABLE

	2016			2015
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 221,686	\$ -	\$ 221,686	\$ -
Alberta Education - Capital	2,643,137	-	2,643,137	514,413
Alberta Education - (Specify)	12,298	-	12,298	1,042
Other Alberta school jurisdictions	55,000	-	55,000	240,062
Treasury Board and Finance - Supported debenture principal	-	-	-	15,048
Alberta Health Services	-	-	-	8,186
Federal government	96,441	-	96,441	208,308
Municipalities	35,852	-	35,852	21,000
Other	2,984,935	(187,307)	2,797,628	1,173,496
<b>Total</b>	<b><u>\$6,049,348</u></b>	<b><u>\$ (187,307)</u></b>	<b><u>\$5,862,041</u></b>	<b><u>\$2,181,555</u></b>

#### 5. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance at August 31, 2016 (2015: \$0).

#### 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Other Alberta school jurisdictions	-	15,048
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	7,284	-
Advanced Education	5,322	-
Federal government	2,434	3,069
Other bank charges, fees, and interest	1,049	-
Accrued vacation pay liability	194,284	345,215
Other salaries & benefit costs	126,964	-
Other trade payables and accrued liabilities	1,957,170	1,624,144
<b>Total</b>	<b><u>\$ 2,294,507</u></b>	<b><u>\$ 1,987,477</u></b>

**7. DEFERRED REVENUE**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2015	ADD: 2015/2016 Restricted Funds Received Receivable	DEDUCT: 2015/2016 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2016
<b>Unexpended deferred operating revenue</b>				
<b>Alberta Education:</b>				
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -
Infrastructure Maintenance Renewal	1,180,346	251,156	(1,180,346)	251,156
Other Alberta Education	833,766	461,364	(833,766)	461,364
<b>Other Deferred Revenue:</b>				
School Generated Funds	\$ 552,479	\$ (55,517)	\$ -	\$ 496,962
Other	202,811	201,997	(202,811)	201,997
<b>Total unexpended deferred operating revenue</b>	<b>\$ 2,769,402</b>	<b>\$ 858,999</b>	<b>\$ (2,216,923)</b>	<b>\$ 1,411,479</b>
<b>Unexpended deferred capital revenue (Schedule 2)</b>	-	-	-	-
<b>Expended deferred capital revenue (Schedule 2)</b>	25,139,384	-	4,462,442	29,601,826
<b>Total</b>	<b>\$27,908,787</b>	<b>\$ 858,999</b>	<b>\$ 2,245,519</b>	<b>\$31,013,305</b>

**8. DEBT**

Debt

	2016	2015
Supported debentures outstanding at August 31, 2016 have interest rates between 6% to 12%. The terms of the debentures range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 134,294	\$ 279,991
<b>Total</b>	<b>\$ 134,294</b>	<b>\$ 279,991</b>

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2016-2017	\$ 83,267	\$ 12,711	\$ 95,978
2017-2018	51,027.20	4,783.80	55,811.00
<b>Total</b>	<b>\$ 134,294</b>	<b>\$ 17,495</b>	<b>\$ 151,789</b>

**9. PREPAID EXPENSES:**

Prepaid Expenses consist of the following:

	2016	2015
Other	233,610	220,028
<b>Total</b>	<b>\$ 233,610</b>	<b>\$ 220,028</b>



**10. OTHER NON-FINANCIAL ASSETS:**

Other non-financial assets consist of the following:

	2016	2015
Inventory	\$ 393,799	\$ 416,016
Other (Patronage Reserves)	13,863	11,541
Total	<u>\$ 407,661</u>	<u>\$ 427,557</u>

**11. 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	\$ 903,066	\$ 903,066
Operating reserves	<u>6,376,807</u>	<u>7,721,223</u>
Accumulated surplus (deficit) from operations	7,279,873	8,624,289
Investment in tangible capital assets	4,940,161	4,577,648
Capital reserves	814,368	1,289,343
Accumulated surplus (deficit)	<u>\$ 13,034,401</u>	<u>\$ 14,491,280</u>

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

	2016	2015
Accumulated surplus (deficit) from operations	\$ 7,279,873	\$ 8,624,289
Deduct: School generated funds included in accumulated surplus (Note 21)	<u>496,962</u>	<u>552,479</u>
Adjusted accumulated surplus (deficit) from operations <sup>(2)</sup>	<u>\$ 6,782,911</u>	<u>\$ 8,071,810</u>

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

**12. CONTRACTUAL OBLIGATIONS**

Pembina Hills Regional Division No. 7 has no contractual obligations.

**13. CONTINGENT LIABILITIES:**

- a) Pembina Hills Regional Division No. 7 is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statement.
- b) The School District has been named in one claim (2015-001) of which the outcome is not determinable. Should the claimant be successful, the amount will not be material in value.

**14. FEES**

	Actual 2016	Actual 2015
<b>FEES</b>		
Transportation fees	\$308,828	\$312,678
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$405,651	\$266,428
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$58,000	\$36,965
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$72,673	\$37,541
Extracurricular fees (sports teams and clubs)	\$36,527	\$25,135
Field trips (related to curriculum)	\$0	\$0
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)* Barrhead Adult Education	\$33,402	\$27,164
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$915,081</b>	<b>\$705,911</b>

**15. TRUSTS UNDER ADMINISTRATION**

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

	2016	2015
Deferred salary leave plan	\$ -	\$ -
Scholarship trusts	599,805.88	592,644
Other trusts (Barrhead Adult Education)	63,720.60	62,414
<b>Total</b>	<b><u>\$ 663,526</u></b>	<b><u>\$ 655,058</u></b>

## 16. SCHOOL GENERATED FUNDS

	2016	2015
School Generated Funds, Beginning of Year	\$ 552,479	\$ 533,376
Gross Receipts:		
Fees	36,527	25,135
Fundraising	103,293	111,460
Gifts and donations	-	-
Grants to schools	-	-
Other sales and services	100,664	227,228
Total gross receipts	240,484	363,823
Total Related Expenses and Uses of Funds	202,936	220,717
Total Direct Costs Including Cost of Goods Sold to Raise Funds	93,066	124,003
School Generated Funds, End of Year	\$ 496,962	\$ 552,479
Balance included in Deferred Revenue*	\$ 496,962	\$ 552,479
Balance included in Accumulated Surplus (Operating Reserves)**	\$ -	\$ -

## 17. 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
<b>Government of Alberta (GOA):</b>				
<b>Alberta Education</b>				
Accounts receivable / Accounts payable	\$2,877,121	\$ -		
Prepaid expenses / Deferred operating revenue	-	461,364		
Unexpended deferred capital revenue		-		
Expended deferred capital revenue		29,601,826		
Grant revenue & expenses			56,136,789	
ATRF payments made on behalf of district			4,081,405	
Other revenues & expenses			-	-
<b>Other Alberta school jurisdictions</b>	55,000	-	85,163	-
<b>Alberta Treasury Board and Finance (Principal)</b>				
<b>Alberta Treasury Board and Finance (Accrued)</b>	27,467		-	
<b>Alberta Health Services</b>	-	-	32,336	-
<b>TOTAL 2015/2016</b>	<b>\$2,959,588</b>	<b>\$ 30,063,190</b>	<b>\$60,335,693</b>	<b>\$ -</b>
<b>TOTAL 2014/2015</b>	<b>\$ 820,509</b>	<b>\$ 26,829,114</b>	<b>\$54,044,272</b>	<b>\$ -</b>

## 18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

## 19. BUDGET AMOUNTS

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

## 20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2014/2015 presentation.

## 21. ADLC – Management Services Fee

Effective June 2, 1997, Pembina Hills Regional Division No. 7 assumed responsibility for the operation of the Alberta Distance Learning Centre from Alberta Education. Pembina Hills Regional Division No. 7 charges their subsidiary, ADLC, a management services fee to provide them with Board and System Administration for services. The fee is calculated similar to the calculation used for the remainder of Pembina Hills' operations. The fee is netted out of Pembina Hills Board and System Administration expenses. For the year ended August 31, 2016, the management services fee amounted to \$842,317.

	2016	2015
Board Governance Fees	\$ 45,000	\$ 45,000
Benefits – Board Governance	9,000	9,000
Certificated Salaries	248,400	230,480
Uncertificated Salaries	250,000	260,351
Benefits – System Administration	106,100	100,859
Services, Contracts and Supplies	183,817	211,525
	<b>\$ 842,317</b>	<b>\$ 857,215</b>

**SCHEDULE 8**

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

	Actual 2016	Actual 2015
<b>FEES</b>		
Transportation fees	\$308,828	\$312,678
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$405,651	\$266,428
Technology user fees	\$0	\$0
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$58,000	\$36,965
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$72,673	\$37,541
Extracurricular fees (sports teams and clubs)	\$36,527	\$25,135
Field trips (related to curriculum)	\$0	\$0
Lunch supervision fees	\$0	\$0
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)* Barrhead Adult Education	\$33,402	\$27,164
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
<b>TOTAL FEES</b>	<b>\$915,081</b>	<b>\$705,911</b>

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

G26 must Agree with K16 on Schedule of Program Operations

H26 must Agree with L16 on Schedule of Program Operations

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	\$53,949	\$57,168
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$104,801	\$93,655
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
<b>TOTAL</b>	<b>\$158,750</b>	<b>\$150,823</b>

**UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING**  
for the Year Ended August 31, 2016 (in dollars)

	PROGRAM AREA						Small Schools by Necessity (Revenue only)
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education			
<b>Funded Students in Program Federally Funded Students REVENUES</b>							
Alberta Education allocated funding	\$ 534,268	\$ 1,536,857	\$ 93,324	\$ 3,063,674	\$ 1,036,948	\$ 1,036,948	
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL REVENUES</b>	\$ 534,268	\$ 1,536,857	\$ 93,324	\$ 3,063,674	\$ 1,036,948	\$ 1,036,948	
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>							
Instructional certificated salaries & benefits	\$ -	\$ 212,998	\$ -	\$ -	\$ -	\$ -	
Instructional non-certificated salaries & benefits	\$ 518,377	\$ 951,916	\$ 93,324	\$ 3,315,307	\$ 3,315,307	\$ 3,315,307	
<b>SUB TOTAL</b>	\$ 518,377	\$ 1,164,914	\$ 93,324	\$ 3,315,307	\$ 3,315,307	\$ 3,315,307	
Supplies, contracts and services	\$ 15,892	\$ 330,539	\$ -	\$ -	\$ -	\$ -	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ 51,366	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ 534,268	\$ 1,546,819	\$ 93,324	\$ 3,315,307	\$ 3,315,307	\$ 3,315,307	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ 0	\$ (9,962)	\$ 0	\$ (251,633)	\$ (251,633)	\$ (251,633)	

**SCHEDULE 10**

**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			
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL
Office of the superintendent	\$ 214,961	\$ 20,039	\$ -	\$ 235,000	\$ -	\$ -	\$ -	\$ 235,000
Educational administration (excluding superintendent)	\$ 221,762	\$ 20,632	\$ -	\$ 242,394	\$ 154,902	\$ 8,986	\$ -	\$ 406,282
Business administration	\$ 410,126	\$ 49,201	\$ -	\$ 459,327	\$ -	\$ -	\$ -	\$ 459,327
Board governance (Board of Trustees)	\$ 168,128	\$ 140,723	\$ -	\$ 308,851	\$ -	\$ -	\$ -	\$ 308,851
Information technology	\$ -	\$ 30,044	\$ -	\$ 30,044	\$ 135,111	\$ 5,940	\$ -	\$ 171,095
Human resources	\$ 232,449	\$ 24,776	\$ -	\$ 257,225	\$ -	\$ -	\$ -	\$ 257,225
Central purchasing, communications, marketing	\$ 24,411	\$ 224,553	\$ -	\$ 248,964	\$ -	\$ -	\$ -	\$ 248,964
Payroll	\$ 110,759	\$ 10,305	\$ -	\$ 121,064	\$ -	\$ -	\$ -	\$ 121,064
Administration - insurance			\$ 72,623	\$ 72,623			\$ -	\$ 72,623
Administration - amortization			\$ 63,654	\$ 63,654			\$ -	\$ 63,654
Administration - other (admin building, interest)			\$ 36,781	\$ 36,781			\$ -	\$ 36,781
Other (Utilities)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Building & Equip. Maint)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Advert., Commun.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 1,382,596</b>	<b>\$ 520,273</b>	<b>\$ 173,058</b>	<b>\$ 2,075,927</b>	<b>\$ 290,013</b>	<b>\$ 14,926</b>	<b>\$ -</b>	<b>\$ 2,380,866</b>

<b>BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)</b>	
<b>2015/2016 EXPENSES UNDER (OVER) MAXIMUM LIMIT</b>	
<b>TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations)</b>	\$60,187,884
Enter Number of Net Enrolled Students:	5,323
"C" if Charter School	
<b>STEP 1</b>	
Calculation of maximum expense limit percentage for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over	= 3.6%
If "Total Net Enrolled Students" are 2,000 and less	= 5.4%
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).	
<b>STEP 2</b>	
<b>A. Calculate maximum expense limit amounts for Board and System Administration expenses</b>	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,350,126
<b>B. Considerations for Charter Schools and Small School Boards:</b>	
If charter schools and small school boards,	
The amount of Small Board Administration funding ( <i>Funding Manual</i> Section 1.13)	
	\$0
<b>2015/2016 MAXIMUM EXPENSE LIMIT (the greater of A or B above)</b>	
	\$2,350,126
<b>Actual Board &amp; System Administration from Line 30 of "Schedule of Program Operations" (Board &amp; System Administration Column)</b>	
	\$2,075,927
<b>Amount Overspent</b>	
	\$0