
CONNECT CHARTER SCHOOL SOCIETY

Financial Statements

For the year ended August 31, 2016

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

Connect Charter School Society

Legal Name of School Jurisdiction

5915 Lewis Drive S.W. Calgary AB T3E 5Z4

Mailing Address

(403) 282-2890 (403) 282-2896 myra.p@connectcharter.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Connect Charter School Society presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Ms. Denise Kitagawa	
Name	Signature

SUPERINTENDENT

Ms. Susan Chomistek	
Name	Signature

SECRETARY-TREASURER OR TREASURER

Ms. Myra C. Penberthy	
Name	Signature

Board-approved Release Date

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

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Independent Auditor's Report

Grant Thornton LLP
Suite 900
833 - 4th Avenue SW
Calgary, AB
T2P 3T5
T +1 403 260 2500
F +1 403 260 2571
www.GrantThornton.ca

To the Members of

Connect Charter School Society

We have audited the accompanying financial statements of Connect Charter School Society (the "Society"), which comprise the statement of financial position as at August 31, 2016, and the statements of operations, cash flows, change in net financial assets and re-measurement gains and losses 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 CPA Canada Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Connect Charter School Society as at August 31, 2016, and the results of its operations and cash flows for the year then ended in accordance with CPA Canada Public Sector Accounting Standards.

Calgary, Canada
November 22, 2016

Grant Thornton LLP
Chartered Public Accountants

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

		2016	2015
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 540,228	\$ 384,395
Accounts receivable (net after allowances)	(Note 4)	\$ 36,307	\$ 47,141
Portfolio investments	(Schedule 5; Note 5)	\$ 510,000	\$ 600,000
Other financial assets		\$ -	\$ -
Total financial assets		\$ 1,086,535	\$ 1,031,536
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 57,397	\$ 132,505
Deferred revenue	(Note 7)	\$ 784,548	\$ 727,579
Employee future benefit liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 841,945	\$ 860,084
Net financial assets (debt)		\$ 244,590	\$ 171,452
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6, Note 8)		
Land		\$ -	\$ -
Construction in progress		\$ -	\$ -
Buildings	\$ 982,370		
Less: Accumulated amortization	\$ (947,103)	\$ 35,267	\$ 52,899
Equipment	\$ 105,301		
Less: Accumulated amortization	\$ (75,975)	\$ 29,326	\$ 38,013
Vehicles	\$ 77,803		
Less: Accumulated amortization	\$ (61,254)	\$ 16,549	\$ 15,292
Computer Equipment	\$ 719,538		
Less: Accumulated amortization	\$ (291,113)	\$ 428,425	\$ 389,355
Total tangible capital assets		\$ 509,567	\$ 495,559
Prepaid expenses		\$ 85,174	\$ 91,224
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 594,741	\$ 586,783
Accumulated surplus	(Schedule 1; Note 9)	\$ 839,331	\$ 758,235
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 839,331	\$ 758,235
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 839,331	\$ 758,235
Contractual obligations			
Contingent liabilities			

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	\$ 5,559,582	\$ 5,536,306	\$ 5,397,704
Other - Government of Alberta	\$ -	\$ -	\$ -
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8, Note 11)	\$ 845,390	\$ 781,569	\$ 806,861
Other sales and services	\$ 198,600	\$ 161,882	\$ 199,059
Investment income	\$ 10,000	\$ 11,125	\$ 14,891
Gifts and donations	\$ 15,000	\$ 47,711	\$ 58,975
Rental of facilities	\$ 5,000	\$ 10,485	\$ 5,280
Fundraising	\$ 80,000	\$ 83,497	\$ 100,675
Gains on disposal of capital assets	\$ -	\$ 29,630	\$ -
Other revenue	\$ -	\$ -	\$ 79,730
Total revenues	\$ 6,713,572	\$ 6,662,205	\$ 6,663,175
EXPENSES			
Instruction - ECS	\$ -	\$ -	\$ -
Instruction - Grades 1 - 12	\$ 5,460,098	\$ 5,247,253	\$ 5,439,287
Plant operations and maintenance	\$ 430,602	\$ 455,179	\$ 632,928
Transportation	\$ 571,000	\$ 531,783	\$ 544,634
Board & system administration	\$ 356,932	\$ 346,894	\$ 350,971
External services	\$ -	\$ -	\$ -
Total expenses	\$ 6,818,632	\$ 6,581,109	\$ 6,967,820
Operating surplus (deficit)	\$ (105,060)	\$ 81,096	\$ (304,645)

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)	\$ 81,096	\$ (304,645)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 197,349	\$ 275,006
Gains on disposal of tangible capital assets	\$ (29,630)	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ -	\$ (79,730)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 10,834	\$ (4,700)
Prepays	\$ 6,050	\$ 25,206
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (75,108)	\$ 51,529
Deferred revenue (excluding EDCR)	\$ 56,969	\$ 29,699
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 247,560	\$ (7,635)
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ -	\$ -
Equipment	\$ -	\$ (29,875)
Vehicles	\$ (8,331)	\$ -
Computer equipment	\$ (203,026)	\$ (200,734)
Net proceeds from disposal of unsupported capital assets	\$ 29,630	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (181,727)	\$ (230,609)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (10,000)	\$ -
Dispositions of portfolio investments	\$ 100,000	\$ 600,000
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Change in endowments	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 90,000	\$ 600,000
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
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	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 155,833	\$ 361,756
Cash and cash equivalents, at beginning of year	\$ 384,395	\$ 22,639
Cash and cash equivalents, at end of year	\$ 540,228	\$ 384,395

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

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

	Budget 2016	2016	2015
Operating surplus (deficit)	\$ (105,060)	\$ 81,096	\$ (304,645)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (200,000)	\$ (211,357)	\$ (230,609)
Amortization of tangible capital assets	\$ 200,217	\$ 197,349	\$ 275,006
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 217	\$ (14,008)	\$ 44,397
Changes in:			
Prepaid expenses	\$ -	\$ 6,050	\$ 25,206
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)			
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets	\$ (104,843)	\$ 73,138	\$ (235,042)
Net financial assets at beginning of year	\$ -	\$ 171,452	\$ 406,494
Net financial assets at end of year	\$ (104,843)	\$ 244,590	\$ 171,452

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	\$ 758,235	\$ -	\$ 758,235	\$ 495,559	\$ -	\$ (0)	\$ 262,676	\$ -
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 758,235	\$ -	\$ 758,235	\$ 495,559	\$ -	\$ (0)	\$ 262,676	\$ -
Operating surplus (deficit)	\$ 81,096		\$ 81,096			\$ 81,096		
Board funded tangible capital asset additions								
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ 211,357		\$ (211,357)	\$ -	\$ -
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	\$ -		\$ -	\$ (197,349)		\$ 197,349		
Capital revenue recognized	\$ -		\$ -	\$ -		\$ -		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -		
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -		
Net transfers to operating reserves	\$ -		\$ -			\$ (67,068)	\$ 67,068	
Net transfers from operating reserves	\$ -		\$ -			\$ -	\$ -	
Net transfers to capital reserves	\$ -		\$ -			\$ -		\$ -
Net transfers from capital reserves	\$ -		\$ -			\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 839,331	\$ -	\$ 839,331	\$ 509,567	\$ -	\$ (0)	\$ 329,764	\$ -

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	\$ 262,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2015	\$ 262,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets												
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	\$ 67,088		\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2016	\$ 329,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE 2

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
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	\$ -	\$ -	\$ -	\$ -	
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	\$ -	\$ -	\$ -	\$ -	\$ -
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					\$ -
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2016 (A) + (B) + (C) + (D)				\$ -	

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	\$ -	\$ 4,505,666	\$ 463,193	\$ 231,678	\$ 335,769	\$ -	\$ 5,536,306
(2) Other - Government of Alberta	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ 495,141	\$ -	\$ 286,428	\$ -	\$ -	\$ 781,569
(9) Other sales and services	\$ -	\$ 161,882	\$ -	\$ -	\$ -	\$ -	\$ 161,882
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 11,125	\$ -	\$ 11,125
(11) Gifts and donations	\$ -	\$ 47,711	\$ -	\$ -	\$ -	\$ -	\$ 47,711
(12) Rental of facilities	\$ -	\$ 10,485	\$ -	\$ -	\$ -	\$ -	\$ 10,485
(13) Fundraising	\$ -	\$ 83,497	\$ -	\$ -	\$ -	\$ -	\$ 83,497
(14) Gains on disposal of tangible capital assets	\$ -	\$ 29,630	\$ -	\$ -	\$ -	\$ -	\$ 29,630
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ -	\$ 5,334,012	\$ 463,193	\$ 518,106	\$ 346,894	\$ -	\$ 6,662,205
EXPENSES							
(17) Certificated salaries	\$ -	\$ 3,165,126			\$ 104,668	\$ -	\$ 3,269,794
(18) Certificated benefits	\$ -	\$ 645,770			\$ -	\$ -	\$ 645,770
(19) Non-certificated salaries and wages	\$ -	\$ 231,381	\$ 187,477	\$ 20,943	\$ 98,684	\$ -	\$ 538,485
(20) Non-certificated benefits	\$ -	\$ 61,927	\$ 42,537	\$ 3,275	\$ 20,275	\$ -	\$ 128,014
(21) SUB - TOTAL	\$ -	\$ 4,104,204	\$ 230,014	\$ 24,218	\$ 223,627	\$ -	\$ 4,582,063
(22) Services, contracts and supplies	\$ -	\$ 990,832	\$ 180,033	\$ 507,565	\$ 121,647	\$ -	\$ 1,800,077
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 152,217	\$ 45,132	\$ -	\$ -	\$ -	\$ 197,349
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 1,620	\$ -	\$ 1,620
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ -	\$ 5,247,253	\$ 455,179	\$ 531,783	\$ 346,894	\$ -	\$ 6,581,109
(31) OPERATING SURPLUS (DEFICIT)	\$ -	\$ 86,759	\$ 8,014	\$ (13,677)	\$ -	\$ -	\$ 81,096
							\$ (304,645)

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	\$ 187,477	\$ -	\$ -	\$ -	\$ -			\$ 187,477	\$ 185,843
Uncertificated benefits	\$ 42,537	\$ -	\$ -	\$ -	\$ -			\$ 42,537	\$ 41,936
Sub-total Remuneration	\$ 230,014	\$ -	\$ -	\$ -	\$ -			\$ 230,014	\$ 227,779
Supplies and services	\$ 23,128	\$ 63,455	\$ -	\$ -	\$ -			\$ 86,583	\$ 177,431
Electricity			\$ 36,534					\$ 36,534	\$ 36,961
Natural gas/heating fuel			\$ 22,044					\$ 22,044	\$ 30,572
Sewer and water			\$ 15,346					\$ 15,346	\$ 15,357
Telecommunications			\$ 10,767					\$ 10,767	\$ 9,190
Insurance					\$ 8,758			\$ 8,758	\$ 11,154
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported									
Unsupported						\$ 45,132		\$ 45,132	\$ 79,730
Total Amortization						\$ 45,132		\$ 45,132	\$ 44,854
Interest on capital debt									
Supported									
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ 1				\$ 1	\$ -
Other interest charges									\$ -
Losses on disposal of capital assets									\$ -
TOTAL EXPENSES	\$ 253,142	\$ 63,455	\$ 84,691	\$ 1	\$ 8,758	\$ 45,132	\$ -	\$ 455,179	\$ 632,928
SQUARE METRES									
School buildings								7,107.0	7,107.0
Non school buildings								7,107.0	7,107.0

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		\$ 540,228	\$ 540,228	\$ 384,395
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%			
Provincial, direct and guaranteed	0.00%			
Corporate	0.00%			
Municipal	0.00%			
Pooled investment funds	0.00%			
Other, including GIC's	0.00%			
Total cash and cash equivalents	0.00%	\$ 540,228	\$ 540,228	\$ 384,395

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 investment certificates	1.20%	510,000	510,000	510,000	600,000
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	1.20%	\$ 510,000	\$ 510,000	\$ 510,000	\$ 600,000

See Note 5 for additional detail.

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

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

SCHEDULE 6

School Jurisdiction Code: **45**

**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
Tangible Capital Assets							
Estimated useful life							
Historical cost							
Beginning of year	\$ -	\$ -	\$ 982,370	\$ 105,301	\$ 69,472	\$ 753,763	\$ 1,910,906
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	-	-	-	8,331	203,026	230,609
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(237,251)	(82,800)
	\$ -	\$ -	\$ 982,370	\$ 105,301	\$ 77,803	\$ 719,538	\$ 1,885,012
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 929,471	\$ 67,288	\$ 54,180	\$ 364,408	\$ 1,415,347
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	17,632	8,687	7,074	163,955	197,348
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(237,250)	(82,800)
	\$ -	\$ -	\$ 947,103	\$ 75,975	\$ 61,254	\$ 291,113	\$ 1,375,445
Net Book Value at August 31, 2016	\$ -	\$ -	\$ 35,267	\$ 29,326	\$ 16,549	\$ 428,425	\$ 509,567
Net Book Value at August 31, 2015	\$ -	\$ -	\$ 52,899	\$ 38,013	\$ 15,292	\$ 389,355	\$ 495,559

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

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 1 Authority and Purpose

Connect Charter School Society (the “Society”) is a not-for-profit Society incorporated under the Society’s Act of Alberta. The Society operates Connect Charter School, which is a registered charter school under the Province of Alberta School Act, Revised Statutes of Alberta 2000, Chapter S-3. In addition, the Society is a registered charitable organization with Canada Revenue Agency. On July 24, 2012, the Society was granted a 15 year charter renewal by the Minister of Education effective September 1, 2012 and continuing to August 31, 2027.

The Society receives instruction and support allocations under Education Grants Regulation (AR120/2008). The regulation allows for the setting of conditions and use of grant monies. The Society is limited on certain funding allocations and administration expenses.

Note 2 Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with the CPA Canada Public Sector Accounting Standards (PSAS). The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and 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 Society has investments in Guaranteed Investment Certificates (“GICs”) and term deposits that have a maturity of greater than 3 months. GICs and term deposits are reported at amortized cost.

(d) Deferred Revenue

Deferred revenue includes government transfers received for operations which have stipulations that meet the definition of a liability per Section PS 3200 *Liabilities*. These contributions are recognized by the Society once it has met all eligibility criteria. When the stipulations are met, the related 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.

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 2 Summary of Significant Accounting Policies (Continued)

Deferred revenue also includes capital government transfers (expended deferred capital revenue). Expended deferred capital revenue represents capital government transfers that have been expended but have yet to be amortized over the useful life of the related tangible capital asset. Capital government transfers are amortized over the useful life of the related capital asset due to certain stipulations related to the contributions that require the Society to use the asset in a prescribed manner over the life of the associated asset.

Deferred revenue also include funds received during the school year which are externally restricted such that there are stipulations that specify the purpose or purposes for which the resources are to be used. These funds are recognized as income, when the stipulations with external parties regarding how certain fees and contributions will be spent are met. The following items fall under this category: Fees for enrichment, transportation, camps and lunchroom for the following school year, as well as fees for outdoor education and designated fundraising, gifts and donation revenues.

(e) Tangible Capital Assets

Tangible capital assets acquired or constructed are originally recorded at cost less impairment, if any, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Tangible capital assets with costs in excess of \$5,000 are capitalized. Amortization commences the year the asset is put into operation, over their estimated useful life, on a straight-line basis which are as follows:

Computer equipment	30% per annum
Equipment	20% per annum
Vehicles	20% per annum
Site improvements (Buildings)	20% per annum (which cannot exceed the building lease with Calgary Board of Education, expiring 2027)

(f) Operating and Capital Reserves

Reserves are disclosed in the Schedule of Changes in Accumulated Surplus. Capital reserves are reserves restricted for capital purposes, and may only be used for operating purposes with approval by the Minister of Education. Currently the Society does not have any capital reserves.

(g) Revenue Recognition

Government Transfers

Eligibility criteria are criteria that the Society has to meet in order to receive certain contributions. Stipulations describe what the Society must perform in order to keep a government transfer (contribution). Government transfers without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Government contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity as all eligibility criteria have been met.

Note 2 Summary of Significant Accounting Policies (Continued)

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 *Liabilities*. Such liabilities are recorded as deferred revenue and recorded as revenue as the related stipulations are met.

Non-Government Revenues

Non-government revenues are recorded on an accrual basis. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered. Rental of facilities revenue is recognized as the service is provided. Investment income is recognized as it is earned. All other revenue is recognized as the related goods and/or services are provided.

Volunteers contribute a considerable number of hours per year to ensure that certain programs are delivered, such as fun lunches, outdoor education programs and the raising of school generated funds. Given the difficulty in ascertaining the fair value of the services provided, contributed services are not recognized in these financial statements.

(h) 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.

(i) 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 ("ATRF") are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Society 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 year ended August 31, 2016, the amount contributed by the Government was \$383,172 (2015 - \$380,731).

The Society 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 \$56,135 for the year ended August 31, 2016 (2015 - \$53,671). At December 31, 2015, the Local Authorities Pension Plan reported an actuarial deficiency of \$923,416,000 (2014 - deficiency of \$2,454,636,000). The Connect Charter School Society does not have any unfunded liabilities regarding actuarial deficiencies.

Note 2 Summary of Significant Accounting Policies (Continued)

(j) Program Reporting

The Society's operations have been segmented as follows:

- **Grade 4-9 Instruction:** The provision of Grade 4 – 9 instructional services that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and grounds.
- **Transportation:** The provision of contracted bus services (to and from school).
- **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 students. 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.

(k) 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 Society 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, and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

(l) Measurement Uncertainty

The preparation of financial statements in accordance with PSAS without not-for-profit provisions requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of income and expenses during the reporting period. Significant items subject to such estimates and assumptions include estimates related to the potential impairment of assets, rates for amortization, accruals for liabilities, and deferred revenue. Actual results could differ from these estimates.

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 3 Cash and Cash Equivalents

Refer to Schedule 5. Cash is held in a Business Custom Account that earns interest at the prime rate less 2.1% per annum. Effective interest for the year was 0.6% (2015 – 0.6%).

Note 4 Accounts Receivable

Accounts receivable consists of the following:

	<u>2016</u>	<u>2015</u>
Miscellaneous receivables	\$ 4,196	\$ 12,056
GST refundable	32,111	35,085
	<u>\$ 36,307</u>	<u>\$ 47,141</u>

There were no allowances taken against receivables in fiscal 2016 or 2015.

Note 5 Portfolio Investments

Refer to Schedule 5. It is management's opinion that there has been no impairment during fiscal 2016 or 2015.

Included in investments is an externally restricted donation from the Baillie Family Scholarship fund for \$10,000 which is for alumni of Calgary Science School/Connect Charter School, and that will be awarded to university students who have completed at least one pre-service teaching placement. The recipients must be passionate about bringing a disposition of inquiry and innovation to their classroom and committed to classroom teaching.

Note 6 Accounts Payable and Accrued Liabilities

All the Society's accounts payable and accrued liabilities are comprised of other trade payables and accrued liabilities.

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 7 Deferred Revenue

	2015	Add	Deduct	2016
		Restricted funds received	Restricted funds paid or transferred to revenue	
Other deferred revenue				
Prepaid Fees – Enrichment	\$ 271,294	\$ 295,882	\$ 271,294	\$ 295,882
Prepaid Fees – Transportation	293,282	293,943	293,282	293,943
Prepaid Fees – Lunchroom fees	28,288	28,033	28,288	28,033
Miscellaneous*, including net school generated revenues	134,715	166,690	134,715	166,690
Total deferred revenue	<u>\$ 727,579</u>	<u>\$ 784,548</u>	<u>\$ 757,579</u>	<u>\$ 784,548</u>
	2014	Add	Deduct	2015
		Restricted funds received	Restricted funds paid or transferred to revenue	
Other deferred revenue				
Prepaid Fees – Enrichment	\$ 268,639	\$ 271,294	\$ 268,639	\$ 271,294
Prepaid Fees – Transportation	287,978	293,282	287,978	293,282
Prepaid Fees – Lunchroom fees	28,290	28,288	28,290	28,288
Miscellaneous, including net school generated revenues	112,973	134,715	112,973	134,715
Total other deferred revenue	<u>697,880</u>	<u>727,579</u>	<u>697,880</u>	<u>727,579</u>
Expended deferred capital revenue	79,730	-	79,730	-
Total deferred revenue	<u>\$ 777,610</u>	<u>\$ 727,579</u>	<u>\$ 777,610</u>	<u>\$ 727,579</u>

* Within Miscellaneous deferred revenue is the Baillie Family Scholarship fund for \$10,000 which is for alumni of Calgary Science School/Connect Charter School, and that will be awarded to university students who have completed at least one pre-service teaching placement. The recipients must be passionate about bringing a disposition of inquiry and innovation to their classroom and committed to classroom teaching.

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 8 Tangible Capital Assets

Within the Capital Assets Schedule 6, Buildings refer to site improvements as Connect Charter School leases the school from Calgary Board of Education and Connect Charter School does not own the building.

The gain on disposal of capital assets was related to fully amortized iPads and laptop computers that were sold. The assets were relieved from capital assets for the fully amortized amount.

Note 9 Accumulated Operating Surplus

	<u>2016</u>	<u>2015</u>
Operating Reserves		
Accumulated surplus from operations	\$ 329,764	\$ 262,676
Investment in tangible capital assets	<u>509,567</u>	<u>495,559</u>
Accumulated Operating Surplus	<u>\$ 839,331</u>	<u>\$ 758,235</u>

Accumulated surplus from operations is necessary for cash flow. The Society does not have a line of credit.

Note 10 Contractual Obligations

On June 24, 2014, the Society entered into a 13 year operating lease agreement with the Calgary Board of Education commencing August 1, 2014, resulting in aggregate annual lease payments of \$1 per year. This lease expires on July 31, 2027.

Note 11 Fees

Refer to Schedule 8.

Technology fees are necessary to meet the mandate of our charter goal, “Enhance learning and teaching through the appropriate and effective use of technology and maintain an intentional, authentic, and innovative perspective in the use of technology.” The Society provides each child in grades 4 through 6 with an iPad and each child in grades 7 through 9 with a laptop. The technology is amortized at 30% / year.

A further mandate of our charter is to “provide environmental, outdoor, and global education learning opportunities for students to experience and appreciate the world outside of the classroom and to develop social, leadership, and stewardship skills.” In order to fulfill this mandate, each child has the opportunity to participate in at least two overnight camps per year. The fees related to outdoor and environmental education (field trips) cover the costs of these camps.

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 12 School Generated Funds

	2016	2015
Deferred School Generated Revenue, September 1	\$ -	\$ 3,778
Current year activities – gross receipts		
Outdoor education field trips	190,288	209,960
Fundraising	83,497	100,675
Gifts and donations	33,189	46,995
Other sales and services	121,711	122,530
Total gross receipts	428,685	483,938
Current year activities – total direct costs including cost of goods sold to raise funds	(66,557)	(80,436)
Current year activities – use of funds	(362,128)	(403,502)
Deferred School Generated Revenues, August 31	\$ -	\$ -

Note 13 Economic Dependence on Related Third Party

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

Note 14 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. The Society had related party transactions for the year ended August 31, 2016 with the Government of Alberta, recorded on the Statement of Operations at the amount of consideration agreed upon between the related parties. The Society also had a lease with the Calgary Board of Education for its premises.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta Education	\$ -	\$ -	\$ 5,536,306	\$ -
Calgary Board of Education	-	-	-	1
2016	\$ -	\$ -	\$ 5,536,306	\$ 1
2015	\$ -	\$ -	\$ 5,397,704	\$ 1

CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements
For the year ended August 31, 2016

Note 15 Remuneration and Monetary Incentives

A volunteer Board of Directors, comprised of 16 Directors, including the Board Chair and Vice Chair, govern the Connect Charter School Society.

Schedule 7 Remuneration and Monetary Incentives shows the detail of remuneration, benefits and expenses paid.

Certificated salary benefits include government portion of the current service contribution to the ATRF on behalf of the Society.

Note 16 Budget Amounts

The budget was prepared by the management of the Society and approved by the Board of Directors on June 16, 2015. The budget for the year ended August 31, 2016 has been presented for information purposes only.

SCHEDULE 8

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

	Actual 2016	Actual 2015
FEES		
Transportation fees	\$286,428	\$296,573
Basic instruction supplies (text books, including lost or replacement fees, course materials)	\$14,240	\$16,183
Technology user fees	\$152,217	\$128,836
Alternative program fees	\$0	\$0
Fees for optional courses (band, art, etc.)	\$0	\$0
Fees for students from other boards	\$0	\$0
Tuition fees (international & out of province)	\$0	\$0
Kindergarten & preschool	\$0	\$0
Extracurricular fees (sports teams and clubs)	\$0	\$0
Field trips (related to curriculum)	\$190,288	\$209,960
Lunch supervision fees (Mandatory)	\$29,060	\$28,790
Locker rental; locks; student ID; uniforms; library, student union, and fitness fees	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)* Educational Day trips electives	\$109,336	\$126,519
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
Other (describe)*	\$0	\$0
TOTAL FEES	\$781,569	\$806,861

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

Please disclose amounts paid by parents of students that are recorded as "Other sales and services" or "Other revenue" (rather than fee revenue):	Actual 2016	Actual 2015
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
Student travel (international, recognition trips, non-curricular)	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Child care & before and after school care	\$0	\$0
Other (describe) Laptop / Ipad self insurance	\$30,109	\$35,940
Other (describe)	\$0	\$0
Other (describe)	\$0	\$0
TOTAL	\$30,109	\$35,940

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	\$ -	\$ -	\$ 55,371	\$ 34,675	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ -	\$ -	\$ 55,371	\$ 34,675	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ -	\$ -	\$ 31,762	\$ 127,048	
Instructional non-certificated salaries & benefits	\$ -	\$ -	\$ 11,560	\$ 46,240	
SUB TOTAL	\$ -	\$ -	\$ 43,322	\$ 173,288	
Supplies, contracts and services	\$ -	\$ -	\$ 3,208	\$ 12,834	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ -	\$ -	\$ 46,530	\$ 186,122	
NET FUNDING SURPLUS (SHORTFALL)	\$ -	\$ -	\$ 8,841	\$ (151,447)	

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			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 104,668	\$ -	\$ -	\$ 104,668	\$ -	\$ -	\$ -	\$ 104,668
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business administration	\$ 118,959	\$ -	\$ -	\$ 118,959	\$ -	\$ -	\$ -	\$ 118,959
Board governance (Board of Trustees)	\$ -	\$ 28,859	\$ -	\$ 28,859	\$ -	\$ -	\$ -	\$ 28,859
Information technology	\$ -	\$ 8,775	\$ -	\$ 8,775	\$ -	\$ -	\$ -	\$ 8,775
Human resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central purchasing, communications, marketing	\$ -	\$ 5,791	\$ -	\$ 5,791	\$ -	\$ -	\$ -	\$ 5,791
Payroll	\$ -	\$ 40,841	\$ -	\$ 40,841	\$ -	\$ -	\$ -	\$ 40,841
Administration - insurance			\$ 3,050	\$ 3,050			\$ -	\$ 3,050
Administration - amortization			\$ -	\$ -			\$ -	\$ -
Administration - other (admin building, interest)			\$ 1,620	\$ 1,620			\$ -	\$ 1,620
Audit fees	\$ -	\$ 24,960		\$ 24,960	\$ -	\$ -	\$ -	\$ 24,960
System administration	\$ -	\$ 9,371	\$ -	\$ 9,371	\$ -	\$ -	\$ -	\$ 9,371
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 223,627	\$ 118,597	\$ 4,670	\$ 346,894	\$ -	\$ -	\$ -	\$ 346,894