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# **CONNECT CHARTER SCHOOL SOCIETY**

**Financial Statements**

For the year ended August 31, 2017

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2017**  
[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, remeasurement gains and losses, changes in net financial assets (debt), 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

**November 21, 2017**

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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Version 20170719

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# Independent Auditor's Report

To the Members of  
**Connect Charter School Society**

**Grant Thornton LLP**  
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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, 2017, 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, 2017, and its financial performance and its cash flows for the year then ended in accordance with CPA Canada Public Sector Accounting Standards.

Calgary, Canada  
November 21, 2017

*Grant Thornton LLP*  
Chartered Public Accountants

**STATEMENT OF FINANCIAL POSITION**  
As at August 31, 2017 (in dollars)

		2017	2016
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 678,223	\$ 540,228
Accounts receivable (net after allowances)	(Note 4)	\$ 43,855	\$ 36,307
Portfolio investments	(Schedule 5; Note 5)	\$ 608,599	\$ 510,000
Other financial assets		\$ -	\$ -
<b>Total financial assets</b>		\$ 1,330,677	\$ 1,086,535
<b>LIABILITIES</b>			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 51,115	\$ 57,397
Deferred revenue	(Note 7)	\$ 860,401	\$ 784,548
Employee future benefits liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
<b>Debt</b>			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		\$ 911,516	\$ 841,945
<b>Net financial assets (debt)</b>		\$ 419,161	\$ 244,590
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6, Note 8)		
Land		\$ -	\$ -
Construction in progress		\$ -	\$ -
Buildings	\$ 982,370		
Less: Accumulated amortization	\$ (964,735)	\$ 17,635	\$ 35,267
Equipment	\$ 105,301		
Less: Accumulated amortization	\$ (84,662)	\$ 20,639	\$ 29,326
Vehicles	\$ 77,803		
Less: Accumulated amortization	\$ (66,733)	\$ 11,070	\$ 16,549
Computer Equipment	\$ 626,051		
Less: Accumulated amortization	\$ (222,756)	\$ 403,295	\$ 428,425
Total tangible capital assets		\$ 452,639	\$ 509,567
Prepaid expenses	(Note 9)	\$ 95,700	\$ 85,174
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		\$ 548,339	\$ 594,741
<b>Accumulated surplus</b>	(Schedule 1; Note 10)	\$ 967,500	\$ 839,331
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 967,500	\$ 839,331
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 967,500	\$ 839,331
<b>Contractual obligations</b>	(Note 11)		
<b>Contingent liabilities</b>			

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

**STATEMENT OF OPERATIONS**  
For the Year Ended August 31, 2017 (in dollars)

	Budget 2017	Actual 2017	Actual 2016
<b>REVENUES</b>			
Alberta Education	\$ 5,623,900	\$ 5,602,695	\$ 5,536,306
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 12)	\$ 841,840	\$ 817,880	\$ 781,569
Other sales and services (Schedule 3)	\$ 178,600	\$ 160,422	\$ 161,882
Investment income	\$ 10,000	\$ 12,175	\$ 11,125
Gifts and donations (Note 13)	\$ 8,000	\$ 47,478	\$ 47,711
Rental of facilities	\$ 6,500	\$ 9,695	\$ 10,485
Fundraising (Note 13)	\$ 80,000	\$ 82,598	\$ 83,497
Gains on disposal of capital assets (Schedule 6, Note 8)	\$ -	\$ 21,391	\$ 29,630
Other revenue	\$ -	\$ -	\$ -
<b>Total revenues</b>	\$ 6,748,840	\$ 6,754,334	\$ 6,662,205
<b>EXPENSES</b>			
Instruction - ECS	\$ -	\$ -	\$ -
Instruction - Grades 1 - 12 (Schedule 3)	\$ 5,452,696	\$ 5,313,316	\$ 5,247,253
Plant operations and maintenance (Schedule 3 and 4)	\$ 406,685	\$ 414,220	\$ 455,179
Transportation (Schedule 3)	\$ 544,100	\$ 538,978	\$ 531,783
Board & system administration (Schedule 3 and 10)	\$ 345,359	\$ 359,651	\$ 346,894
External services	\$ -	\$ -	\$ -
<b>Total expenses</b>	\$ 6,748,840	\$ 6,626,165	\$ 6,581,109
<b>Operating surplus (deficit)</b>	\$ -	\$ 128,169	\$ 81,096

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

**STATEMENT OF CASH FLOWS**  
For the Year Ended August 31, 2017 (in dollars)

	2017	2016
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 128,169	\$ 81,096
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 218,658	\$ 197,349
Gains on disposal of tangible capital assets	\$ (21,391)	\$ (29,630)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ -	\$ -
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (7,548)	\$ 10,834
Prepays	\$ (10,526)	\$ 6,050
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (6,282)	\$ (75,108)
Deferred revenue (excluding EDCR)	\$ 75,853	\$ 56,969
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 376,933</b>	<b>\$ 247,560</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ -	\$ -
Equipment	\$ -	\$ -
Vehicles	\$ -	\$ (8,331)
Computer equipment	\$ (177,584)	\$ (203,026)
Net proceeds from disposal of unsupported capital assets	\$ 37,245	\$ 29,630
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (140,339)</b>	<b>\$ (181,727)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (198,599)	\$ (10,000)
Dispositions of portfolio investments	\$ 100,000	\$ 100,000
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ (98,599)</b>	<b>\$ 90,000</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 137,995</b>	<b>\$ 155,833</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 540,228</b>	<b>\$ 384,395</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 678,223</b>	<b>\$ 540,228</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the Year Ended August 31, 2017 (in dollars)**

	2017	2016
Operating surplus (deficit)	\$ 128,169	\$ 81,096
<b>Effect of changes in tangible capital assets</b>		
Acquisition of tangible capital assets	\$ (177,584)	\$ (211,357)
Amortization of tangible capital assets	\$ 218,658	\$ 197,349
Net carrying value of tangible capital assets disposed of	\$ 15,854	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 56,928	\$ (14,008)
<b>Changes in:</b>		
Prepaid expenses	\$ (10,526)	\$ 6,050
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
<b>Increase (decrease) in net financial assets</b>	\$ 174,571	\$ 73,138
<b>Net financial assets at beginning of year</b>	\$ 244,590	\$ 171,452
<b>Net financial assets at end of year</b>	\$ 419,161	\$ 244,590

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



**STATEMENT OF REMEASUREMENT GAINS AND LOSSES**  
**For the Year Ended August 31, 2017 (in dollars)**

	2017	2016
<b>Accumulated remeasurement gains (losses) at beginning of year</b>	\$ -	\$ -
Prior Period Adj. (Explain) - Linked to Sch. 1	\$ -	\$ -
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	\$ -	\$ -
<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, 2017 (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
<b>Balance at August 31, 2016</b>	\$ 839,331	\$ -	\$ 839,331	\$ 509,567	\$ -	\$ (0)	\$ 329,764	\$ -
<b>Prior period adjustments:</b>								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2016</b>	\$ 839,331	\$ -	\$ 839,331	\$ 509,567	\$ -	\$ (0)	\$ 329,764	\$ -
Operating surplus (deficit)	\$ 128,169		\$ 128,169			\$ 128,169		
Board funded tangible capital asset additions				\$ 177,585		\$ (177,585)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets or board funded portion of supported	\$ -		\$ -	\$ (15,855)		\$ 15,855		\$ -
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	\$ -			\$ (218,658)		\$ 218,658		
Capital revenue recognized	\$ -			\$ -		\$ -		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (185,097)	\$ 185,097	
Net transfers from operating reserves	\$ -					\$ -	\$ -	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2017</b>	\$ 967,500	\$ -	\$ 967,500	\$ 452,639	\$ -	\$ (0)	\$ 514,861	\$ -

**SCHEDULE 1**

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS  
for the Year Ended August 31, 2017 (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
<b>Balance at August 31, 2016</b>	\$ 329,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Prior period adjustments:</b>										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Adjusted Balance, August 31, 2016</b>	\$ 329,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Reinvested endowment income										
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ 185,097		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance at August 31, 2017</b>	\$ 514,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## SCHEDULE 2

**SCHEDULE OF CAPITAL REVENUE**  
**(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)**  
for the Year Ended August 31, 2017 (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>	
<b>Balance at August 31, 2016</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Add:</b>					
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:	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deduct:</b>					
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					\$ -
<b>Balance at August 31, 2017</b>	\$ -	\$ -	\$ -	\$ -	\$ -
	(A)	(B)	(C)	(D)	
<b>Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)</b>				\$ -	

**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, 2017 (in dollars)**

REVENUES	2017							2016
	Instruction		Plant Operations and	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12	Maintenance					
(1) Alberta Education	\$ -	\$ 4,540,286	\$ 468,981	\$ 245,952	\$ 347,476	\$ -	\$ 5,602,695	\$ 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	\$ -	\$ 537,578	\$ -	\$ 280,302	\$ -	\$ -	\$ 817,880	\$ 781,569
(9) Other sales and services	\$ -	\$ 160,422	\$ -	\$ -	\$ -	\$ -	\$ 160,422	\$ 161,882
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 12,175	\$ -	\$ 12,175	\$ 11,125
(11) Gifts and donations	\$ -	\$ 47,478	\$ -	\$ -	\$ -	\$ -	\$ 47,478	\$ 47,711
(12) Rental of facilities	\$ -	\$ 9,695	\$ -	\$ -	\$ -	\$ -	\$ 9,695	\$ 10,485
(13) Fundraising	\$ -	\$ 82,598	\$ -	\$ -	\$ -	\$ -	\$ 82,598	\$ 83,497
(14) Gains on disposal of tangible capital assets	\$ -	\$ 21,391	\$ -	\$ -	\$ -	\$ -	\$ 21,391	\$ 29,630
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) <b>TOTAL REVENUES</b>	\$ -	\$ 5,399,448	\$ 468,981	\$ 526,254	\$ 359,651	\$ -	\$ 6,754,334	\$ 6,662,205
<b>EXPENSES</b>								
(17) Certificated salaries	\$ -	\$ 3,159,767	\$ -	\$ -	\$ 113,390	\$ -	\$ 3,273,157	\$ 3,269,794
(18) Certificated benefits	\$ -	\$ 627,464	\$ -	\$ -	\$ -	\$ -	\$ 627,464	\$ 645,770
(19) Non-certificated salaries and wages	\$ -	\$ 256,555	\$ 184,624	\$ 21,217	\$ 125,628	\$ -	\$ 588,024	\$ 538,485
(20) Non-certificated benefits	\$ -	\$ 70,066	\$ 35,980	\$ 3,279	\$ 30,239	\$ -	\$ 139,564	\$ 128,014
(21) SUB - TOTAL	\$ -	\$ 4,113,852	\$ 220,604	\$ 24,496	\$ 269,257	\$ -	\$ 4,628,209	\$ 4,582,063
(22) Services, contracts and supplies	\$ -	\$ 1,016,549	\$ 157,873	\$ 514,482	\$ 88,159	\$ -	\$ 1,777,063	\$ 1,800,077
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 182,915	\$ 35,743	\$ -	\$ -	\$ -	\$ 218,658	\$ 197,349
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 2,235	\$ -	\$ 2,235	\$ 1,620
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) <b>TOTAL EXPENSES</b>	\$ -	\$ 5,313,316	\$ 414,220	\$ 538,978	\$ 359,651	\$ -	\$ 6,626,165	\$ 6,581,109
(31) <b>OPERATING SURPLUS (DEFICIT)</b>	\$ -	\$ 86,132	\$ 54,761	\$ (12,724)	\$ -	\$ -	\$ 128,169	\$ 81,096

**SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES**  
for the Year Ended August 31, 2017 (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	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 184,624	\$ -	\$ -	\$ -	\$ -			\$ 184,624	\$ 187,477
Uncertificated benefits	\$ 35,980	\$ -	\$ -	\$ -	\$ -			\$ 35,980	\$ 42,537
Sub-total Remuneration	\$ 220,604	\$ -	\$ -	\$ -	\$ -			\$ 220,604	\$ 230,014
Supplies and services	\$ 19,709	\$ 38,743	\$ -	\$ -	\$ -			\$ 58,452	\$ 86,583
Electricity			\$ 35,048					\$ 35,048	\$ 36,534
Natural gas/heating fuel			\$ 28,986					\$ 28,986	\$ 22,044
Sewer and water			\$ 16,452					\$ 16,452	\$ 15,346
Telecommunications			\$ 9,987					\$ 9,987	\$ 10,767
Insurance					\$ 8,948			\$ 8,948	\$ 8,758
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ -	\$ -	\$ -
Unsupported						\$ 35,743		\$ 35,743	\$ 45,132
Total Amortization						\$ 35,743	\$ -	\$ 35,743	\$ 45,132
Interest on capital debt									
Supported							\$ -	\$ -	\$ -
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ 1
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
<b>TOTAL EXPENSES</b>	\$ 240,313	\$ 38,743	\$ 90,473	\$ -	\$ 8,948	\$ 35,743	\$ -	\$ 414,220	\$ 455,179
<b>SQUARE METRES</b>									
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, 2017 (in dollars)**

**Cash & Cash Equivalents**

	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 678,223	\$ 678,223	\$ 540,228
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%	\$ 678,223	\$ 678,223	\$ 540,228

See Note 3 for additional detail.

**Portfolio Investments**

	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	1.24%	608,599	-	608,599	510,000
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	1.24%	\$ 608,599	\$ -	\$ 608,599	\$ 510,000

See Note 5 for additional detail.

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

	2017	2016
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, 2017 (in dollars)**

<b>Tangible Capital Assets</b>	<b>2017</b>						<b>2016</b>
	<b>Land</b>	<b>Construction In Progress</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Vehicles</b>	<b>Computer Hardware &amp; Software</b>	<b>Total</b>
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	3-5 Years	
<b>Historical cost</b>							
Beginning of year	\$ -	\$ -	\$ 982,370	\$ 105,301	\$ 77,803	\$ 719,538	\$ 1,885,012
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	-	-	-	-	177,585	177,585
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(271,072)	(271,072)
Historical cost, August 31, 2017	\$ -	\$ -	\$ 982,370	\$ 105,301	\$ 77,803	\$ 626,051	\$ 1,791,525
<b>Accumulated amortization</b>							
Beginning of year	\$ -	\$ -	\$ 947,103	\$ 75,975	\$ 61,254	\$ 291,113	\$ 1,375,445
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	17,632	8,687	5,479	186,860	218,658
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(255,217)	(255,217)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 964,735	\$ 84,662	\$ 66,733	\$ 222,756	\$ 1,338,886
<b>Net Book Value at August 31, 2017</b>	\$ -	\$ -	\$ 17,635	\$ 20,639	\$ 11,070	\$ 403,295	\$ 452,639
<b>Net Book Value at August 31, 2016</b>	\$ -	\$ -	\$ 35,267	\$ 29,326	\$ 16,549	\$ 428,425	\$ 509,567

	<b>2017</b>	<b>2016</b>
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -



**SCHEDULE 7**

School Jurisdiction Code: 45

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES  
for the Year Ended August 31, 2017 (in dollars)**

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Performance Bonuses</b>	<b>ERIP's / Other Paid</b>	<b>Other Accrued Unpaid Benefits</b>	<b>Expenses</b>
Chair	-	\$0	\$0	\$0			\$0	\$713
Vice Chair	-	\$0	\$0	\$0			\$0	\$0
Director	-	\$0	\$0	\$0			\$0	\$564
	-	\$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>Subtotal</b>	-	\$0	\$0	\$0			\$0	\$1,277
Superintendent	0.60	\$113,390	\$0	\$0	\$0	\$0	\$0	\$4,596
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary Treasurer	0.90	\$95,159	\$21,074	\$0	\$0	\$0	\$0	\$3,810
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	35.97	\$3,159,767	\$627,464	\$0	\$0	\$0	\$0	
Non-certificated - other	10.65	\$492,865	\$118,490	\$0	\$0	\$0	\$0	
<b>TOTALS</b>	<b>48.12</b>	<b>\$3,861,181</b>	<b>\$767,028</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,683</b>

# CONNECT CHARTER SCHOOL SOCIETY

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Notes to Financial Statements  
For the year ended August 31, 2017

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## 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.

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## 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

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Notes to Financial Statements  
For the year ended August 31, 2017

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## Note 2 Summary of Significant Accounting Policies (Continued)

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

Capital reserves are reserves restricted for 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. 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, 2017, the amount contributed by the Government was \$360,806 (2016 - \$383,172).

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 - \$59,840 for the year ended August 31, 2017 (2016 - \$56,135). At December 31, 2016, the Local Authorities Pension Plan reported an actuarial deficiency of \$637,357,000 (2015 - deficiency of \$923,416,000). 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.

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# CONNECT CHARTER SCHOOL SOCIETY

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Notes to Financial Statements  
For the year ended August 31, 2017

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## Note 3 Cash and Cash Equivalents

Refer to Schedule 5, Schedule of Cash, Cash Equivalents, and Portfolio Investments. 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 0.53% (2016 – 0.6%).

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## Note 4 Accounts Receivable

Accounts receivable consists of the following:

	<u>2017</u>	<u>2016</u>
Miscellaneous receivables	\$ 11,962	\$ 4,196
GST refundable	31,893	32,111
	<u>\$ 43,855</u>	<u>\$ 36,307</u>

There were no allowances taken against receivables in fiscal 2017 or 2016.

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## Note 5 Portfolio Investments

Refer to Schedule 5, Schedule of Cash, Cash Equivalents, and Portfolio Investments. The Society invests in redeemable and non-redeemable, Guaranteed Investment Certificates, in various denominations, for a one year period. This allows for liquidation as required for cash flow. It is management's opinion that there has been no impairment during fiscal 2017 or 2016.

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## 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.

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# CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements  
For the year ended August 31, 2017

## Note 7      Deferred Revenue

	2016		Add		Deduct		2017
			Restricted		Restricted	funds paid or	
			funds received		funds paid or	transferred to	
					revenue		
Other deferred revenue							
Prepaid Fees – Enrichment	\$ 295,882	\$	323,826	\$	295,882	\$	323,826
Prepaid Fees – Transportation	293,943		284,528		293,943		284,528
Prepaid Fees – Lunchroom fees	28,033		27,866		28,033		27,866
Miscellaneous*, including net school generated revenues	166,690		224,181		166,690		224,181
<b>Total deferred revenue</b>	<b>\$ 784,548</b>	<b>\$</b>	<b>860,401</b>	<b>\$</b>	<b>784,548</b>	<b>\$</b>	<b>860,401</b>

  

	2015		Add		Deduct		2016
			Restricted		Restricted	funds paid or	
			funds received		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
<b>Total deferred revenue</b>	<b>\$ 727,579</b>	<b>\$</b>	<b>784,548</b>	<b>\$</b>	<b>727,579</b>	<b>\$</b>	<b>784,548</b>

\* Within Miscellaneous deferred revenue is the Baillie Family Scholarship fund for \$8,599 (2016 - \$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

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Notes to Financial Statements  
For the year ended August 31, 2017

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## Note 8 Tangible Capital Assets

Within the Capital Assets Schedule 6, Schedule of Capital Assets, 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, of \$21,391, was related to iPads and laptop computers, indicated on Schedule 3, Schedule of Program Operations.

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## Note 9 Prepaid Expenses

	2017	2016
Prepaid Outdoor Education Camp Expenses	\$ 76,191	\$ 56,434
Prepaid Other (Student kits, professional development, annual fees)	19,509	28,740
Total prepaid expenses	<u>\$ 95,700</u>	<u>\$ 85,174</u>

All prepaid expenses are for the subsequent school year.

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## Note 10 Accumulated Operating Surplus

	2017	2016
Operating Reserves		
Accumulated surplus from operations	\$ 514,861	\$ 329,764
Investment in tangible capital assets	452,639	509,567
Accumulated Surplus	<u>\$ 967,500</u>	<u>\$ 839,331</u>

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

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## Note 11 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.

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# CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements  
For the year ended August 31, 2017

## Note 12 Fees

Refer to Schedule 8, Unaudited Schedule of Fees.

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 cover the costs of these camps.

## Note 13 School Generated Funds

	2017	2016
Deferred School Generated Revenue, September 1	\$ -	\$ -
Current year activities – gross receipts		
Outdoor education field trips	206,946	190,288
Fundraising	82,598	83,497
*Gifts and donations	43,919	33,189
Other sales and services	134,738	121,711
Total gross receipts	468,201	428,685
Current year activities – total direct costs including cost of goods sold to raise funds	(66,433)	(66,557)
Current year activities – use of funds	(336,071)	(362,128)
Deferred School Generated Revenues, August 31	\$ 65,697	\$ -

\* Gifts and Donations are gifts in kind and donations within School Generated Funds (SGF) only. There are donations that are not SGF.

## Note 14 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.

# CONNECT CHARTER SCHOOL SOCIETY

Notes to Financial Statements  
For the year ended August 31, 2017

## Note 15 Related Party Transactions

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Society had related party transactions for the year ended August 31, 2017 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	\$ -	\$ -	\$ 5,602,695	\$ -
Calgary Board of Education	-	1,200	-	11,002
<b>2017</b>	<b>\$ -</b>	<b>\$ 1,200</b>	<b>\$ 5,602,695</b>	<b>\$ 11,002</b>
2016	\$ -	\$ -	\$ 5,536,306	\$ 31,114

## Note 16 Remuneration and Monetary Incentives

A volunteer Board of Directors, comprised of 15 Directors, including the Board Chair and Vice Chair, govern the Connect Charter School Society.

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

Schedule 3, Schedule of Program Operations, includes the superintendent within certificated salaries, and the secretary treasurer within non-certificated salaries and benefits.

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

## Note 17 Budget Amounts

The budget was prepared by the management of the Society and approved by the Board of Directors on May 17, 2016. The budget for the year ended August 31, 2017 has been presented for information purposes only.

# CONNECT CHARTER SCHOOL SOCIETY

**Notes to Financial Statements**  
For the year ended August 31, 2017

**Note 18 Differential Funding, Severe Disabilities, English Language Learners, Inclusive Education**

Schedule 9, Unaudited Schedule of Differential funding, does not include funding for severe disabilities. Costs related to severe disabilities are partially funded by Alberta Education designated funding and partially by Alberta Education Instructional funding. Please refer to the figures below for the total net funding for all-inclusive education programs, including severe disabilities.

	2017	2016
<b>Severe Disabilities</b>		
Alberta Education allocated funding	\$ 57,628	\$ 32,930
Instructional salaries & benefits	(130,151)	(86,699)
Supplies, contracts & services	(2,353)	-
<b>Net Revenue (Expense)</b>	<b>\$ (74,876)</b>	<b>\$ (53,769)</b>
<b>English Language Learners</b>		
Alberta Education allocated funding	\$ 45,946	\$ 55,371
Instructional salaries & benefits	(36,852)	(43,322)
Supplies, contracts & services	-	(3,208)
<b>Net Revenue (Expense)</b>	<b>\$ 6,741</b>	<b>\$ 8,841</b>
<b>Inclusive Education</b>		
Alberta Education allocated funding	\$ 35,076	\$ 34,675
Instructional salaries & benefits	(154,386)	(173,288)
Supplies, contracts & services	(2,353)	(12,834)
<b>Net Revenue (Expense)</b>	<b>\$ (121,663)</b>	<b>\$ (151,447)</b>
<b>Total Net Revenue (Expense) Severe, ESL, Inclusive Education</b>	<b>\$ (189,798)</b>	<b>\$ (196,375)</b>

**SCHEDULE 8**

**UNAUDITED SCHEDULE OF FEES**  
for the Year Ending August 31, 2017 (in dollars)

	<b>Budgeted Fee Revenues 2016/2017</b>	<b>Actual Fees Collected 2016/2017</b>	<b>Unexpended Balance at September 1, 2016*</b>	<b>Actual Fee Expenditures 2016/2017</b>	<b>Unexpended Balance at August 31, 2017*</b>
<b>Transportation Fees</b>	\$287,125	\$280,302	\$0	\$293,026	\$0
<b>Basic Instruction Fees</b>					
Basic instruction supplies	\$14,500	\$14,922	\$0	\$14,922	\$0
<b>Fees to Enhance Basic Instruction</b>					
Technology user fees	\$176,000	\$182,915	\$0	\$182,915	\$0
Alternative program fees	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$0	\$0	\$0	\$0	\$0
Activity fees	\$120,900	\$104,026	\$0	\$200,851	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Outdoor Education - overnight camps	\$213,315	\$206,946	\$0	\$206,578	\$368
	\$0	\$0	\$0	\$0	\$0
<b>Non-Curricular fees</b>					
Extracurricular fees	\$0	\$0	\$0	\$0	\$0
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$30,000	\$28,769	\$0	\$31,706	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FEES</b>	\$841,840	\$817,880	\$0	\$929,998	\$368

\*Unexpended balances cannot be less than \$0

<b>Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):</b>	<b>Actual 2017</b>	<b>Actual 2016</b>
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Laptop / Ipad self insurance	\$37,721	\$30,109
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
<b>TOTAL</b>	\$37,721	\$30,109

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (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)
<b>Funded Students in Program</b>					
<b>Federally Funded Students</b>					
<b>REVENUES</b>					
Alberta Education allocated funding	\$ -	\$ -	\$ 45,946	\$ 35,076	\$ -
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ -	\$ -	\$ 45,946	\$ 35,076	\$ -
<b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>					
Instructional certificated salaries & benefits	\$ -	\$ -	\$ 9,405	\$ 115,960	
Instructional non-certificated salaries & benefits	\$ -	\$ -	\$ 27,447	\$ 38,426	
<b>SUB TOTAL</b>	\$ -	\$ -	\$ 36,852	\$ 154,386	
Supplies, contracts and services	\$ -	\$ -	\$ 2,353	\$ 2,353	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
(Note 18)	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL EXPENSES</b>	\$ -	\$ -	\$ 39,205	\$ 156,739	
<b>NET FUNDING SURPLUS (SHORTFALL)</b>	\$ -	\$ -	\$ 6,741	\$ (121,663)	

**SCHEDULE 10**

<b>UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES</b> for the Year Ended August 31, 2017 (in dollars)								
<b>EXPENSES</b>	<b>Allocated to Board &amp; System Administration</b>				<b>Allocated to Other Programs</b>			<b>TOTAL</b>
	<b>Salaries &amp; Benefits</b>	<b>Supplies &amp; Services</b>	<b>Other</b>	<b>TOTAL</b>	<b>Salaries &amp; Benefits</b>	<b>Supplies &amp; Services</b>	<b>Other</b>	
Office of the superintendent	\$ 113,390	\$ -	\$ -	\$ 113,390	\$ -	\$ -	\$ -	\$ 113,390
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business administration	\$ 116,233	\$ -	\$ -	\$ 116,233	\$ -	\$ -	\$ -	\$ 116,233
Board governance (Board of Trustees)	\$ -	\$ 26,128	\$ -	\$ 26,128	\$ -	\$ -	\$ -	\$ 26,128
Information technology	\$ -	\$ 8,694	\$ -	\$ 8,694	\$ -	\$ -	\$ -	\$ 8,694
Human resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Central purchasing, communications, marketing	\$ -	\$ 6,762	\$ -	\$ 6,762	\$ -	\$ -	\$ -	\$ 6,762
Payroll	\$ 39,634	\$ -	\$ -	\$ 39,634	\$ -	\$ -	\$ -	\$ 39,634
Administration - insurance			\$ 3,050	\$ 3,050			\$ -	\$ 3,050
Administration - amortization			\$ -	\$ -			\$ -	\$ -
Administration - other (admin building, interest)			\$ 2,235	\$ 2,235			\$ -	\$ 2,235
Audit Fees	\$ -	\$ 31,287	\$ -	\$ 31,287	\$ -	\$ -	\$ -	\$ 31,287
System Administration	\$ -	\$ 12,238	\$ -	\$ 12,238	\$ -	\$ -	\$ -	\$ 12,238
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	\$ 269,257	\$ 85,109	\$ 5,285	\$ 359,651	\$ -	\$ -	\$ -	\$ 359,651