

Private School Authority Code: 9946
School Code: 9988

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules for
FUNDED PRIVATE SCHOOLS
FOR THE YEAR ENDED AUGUST 31, 2016**
[School Act, Sections 28(6); Private Schools Regulation 190/2000]

Trinity Christian School Association

Name of Private School and Legal Name of Organization Operating the Private School

5731-50 Avenue, Cold Lake, Alberta, T9M 1T1

Mailing Address

Telephone : 780-594-2205 Fax: 780-594-3737

Telephone and Fax Numbers

These Financial Statements and Supporting Schedules are Audited by:

Collins Barrow Edmonton LLP
2500 Bell Tower 10104 – 103 Avenue, Edmonton,
Alberta T5J 0H8

Name and Address of the Audit Firm


Auditor's Signature

PRIVATE SCHOOL MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING.

The financial statements and supporting schedules of Trinity Christian School Association
(Name of Private School)

presented to Alberta Education have been prepared by the private school's management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit organizations and Ministerial requirements for Alberta funded private schools.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the private school'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 private school'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 budgetary system of control.

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

External Independent Auditors

The Board appoints external independent auditors to audit these financial statements and meets with the auditor to review their findings. The external independent auditors have full and free access to school authority's records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position as at August 31, 2016 and results of operations, cash flows, and changes in net assets for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and Ministerial requirements for Alberta funded private schools.

BOARD CHAIR

Lynn Gullackson

Name

Signature

SUPERINTENDENT / PRINCIPAL

Richard Schienbein

Name

Signature

SECRETARY TREASURER OR TREASURER

Margaret Schienbein

Name

Signature

Board-approved Release Date

ALBERTA EDUCATION, Financial Reporting and Accountability,
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INDEPENDENT AUDITORS' REPORT**To the Board of Directors of Trinity Christian School Association**

We have audited the accompanying financial statements of Trinity Christian School Association, which comprise the statement of financial position as at August 31, 2016, the statements of revenues and expenses, changes in net assets, cash flows and Schedule 1 to Schedule 5 for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

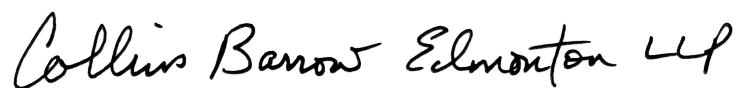
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Edmonton, Alberta
May 25, 2017

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31
(in dollars)

| | | AFS 2016 | AFS 2015 (NOTE *) |
|--|----------|-------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | Note | \$286,387 | \$443,066 |
| Accounts receivable (net after allowances) | | | |
| Province of Alberta | Note | \$6,683 | \$0 |
| Federal Government and/or First Nations | Note | \$0 | \$0 |
| Other accounts receivable | Note | \$864 | \$105,970 |
| Prepaid expenses | Note | \$7,979 | \$111,517 |
| Other current assets | Note | \$0 | \$0 |
| Total current assets | | \$301,913 | \$660,553 |
| School generated assets | Note | \$0 | \$0 |
| Trust assets | Note | \$0 | \$0 |
| Other assets | Note | \$0 | \$0 |
| Capital assets | | | |
| Land at cost | | \$40,000 | \$40,000 |
| Buildings at cost | \$896 | | |
| Less: accumulated amortization | \$503 | \$393 | \$428 |
| Leasehold improvements at cost | \$28,205 | | |
| Less: accumulated amortization | \$28,205 | \$0 | \$323 |
| Equipment at cost | \$5,000 | | |
| Less: accumulated amortization | \$5,000 | \$0 | \$0 |
| Vehicles at cost | \$0 | | |
| Less: accumulated amortization | \$0 | \$0 | \$0 |
| Total capital assets | Note 5 | \$40,393 | \$40,751 |
| TOTAL ASSETS | | \$342,306 | \$701,304 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Bank indebtedness | Note | \$0 | \$0 |
| Accounts payable and accrued liabilities | | | |
| Province of Alberta | Note | \$0 | \$0 |
| Federal Government and/or First Nations | Note | \$0 | \$0 |
| Other payables and accrued liabilities | Note | \$41,612 | \$178,341 |
| Capital payables | Note | \$0 | \$0 |
| Deferred revenue | Note 3 | \$503,185 | \$479,322 |
| Deferred capital allocations | Note | \$0 | \$0 |
| Current portion of long term debt | | \$0 | \$0 |
| Total current liabilities | | \$544,797 | \$657,663 |
| School generated liabilities | Note | \$0 | \$0 |
| Trust liabilities | Note | \$0 | \$0 |
| Other liabilities | Note | \$0 | \$0 |
| Long term debt | | | |
| Debentures & Bonds | Note | \$0 | \$0 |
| Capital loans | Note | \$0 | \$0 |
| Capital leases | Note | \$0 | \$0 |
| Mortgages | Note | \$0 | \$0 |
| Other loans | Note | \$0 | \$0 |
| Less: Current portion of long term debt | Note | \$0 | \$0 |
| Unamortized capital allocations | Note | \$0 | \$0 |
| Total long term liabilities | | \$0 | \$0 |
| TOTAL LIABILITIES | | \$544,797 | \$657,663 |
| NET ASSETS | | | |
| Unrestricted net assets | | (\$252,797) | (\$7,023) |
| Operating reserves | | \$0 | \$0 |
| Total accumulated surplus (deficit) from operations | | (\$252,797) | (\$7,023) |
| Investment in capital assets | | \$40,392 | \$40,750 |
| Capital reserves | | \$9,914 | \$9,914 |
| Total capital funds | | \$50,306 | \$50,664 |
| Total net assets | | (\$202,491) | \$43,641 |
| TOTAL LIABILITIES AND NET ASSETS | | \$342,306 | \$701,304 |

Note: * Audited Financial Statements (AFS) as submitted to Alberta Education pursuant to Section 28(6) of the School Act; Private Schools Regulation 190/2000 Section 15 or as restated. Input "(Restated)" in 2015 column heading where not taken from the finalized 2014/2015 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31
 (in dollars)

| | AFS 2016 | Budget 2016 (NOTE *) | AFS 2015 (NOTE *) |
|--|--------------------|-------------------------|----------------------|
| REVENUES | | | |
| Alberta Education (excluding Home Education) | \$80,042 | \$99,612 | \$71,892 |
| Alberta Education - Home Education | \$5,498,599 | \$5,931,376 | \$5,249,497 |
| Total Alberta Education Revenues | \$5,578,641 | \$6,030,988 | \$5,321,389 |
| Other Government of Alberta | \$0 | \$0 | \$0 |
| Federal Government and/or First Nations | \$0 | \$0 | \$0 |
| Other Alberta school authorities | \$0 | \$0 | \$0 |
| Instructional fees/Tuition fees | \$22,561 | \$20,000 | \$23,139 |
| Non-instructional fees (O&M, Transportation, Admin, etc.) | \$0 | \$0 | \$0 |
| Other sales and services | \$0 | \$0 | \$0 |
| Interest on investments | \$28 | \$0 | \$42 |
| Gifts and donations | \$9,680 | \$16,000 | \$7,864 |
| Gross school generated funds | \$0 | \$0 | \$0 |
| Amortization of capital allocations | \$0 | \$0 | \$0 |
| Other Note | \$48,673 | \$10,000 | \$19,139 |
| Total Revenues | \$5,659,583 | \$6,076,988 | \$5,371,573 |
| EXPENSES | | | |
| Certificated salaries (excluding home education) Note | \$72,000 | \$130,000 | \$96,000 |
| Certificated benefits Note | \$1,408 | \$3,300 | \$1,422 |
| Non-certificated salaries and wages (excluding home education) Note | \$215,020 | \$150,000 | \$239,546 |
| Non-certificated benefits Note | \$13,827 | \$3,500 | \$4,325 |
| Services, contracts and supplies other than leases (excluding home education) | \$112,134 | \$45,000 | \$108,221 |
| Leases - Building Note | \$0 | \$0 | \$0 |
| Leases - Other Note | \$0 | \$0 | \$0 |
| Severe Disabilities (excluding home education) | \$0 | \$0 | \$0 |
| Early Literacy (excluding home education) | \$0 | \$0 | \$0 |
| English as a Second Language (excluding home education) | \$0 | \$0 | \$0 |
| Regional Collaborative Service Delivery (excluding home ed.) | \$0 | \$0 | \$0 |
| Home Education: | | | |
| Certificated salaries Note | \$0 | \$0 | \$0 |
| Certificated benefits Note | \$0 | \$0 | \$0 |
| Non-certificated salaries & wages Note | \$1,089,896 | \$780,000 | \$992,509 |
| Non-certificated benefits Note | \$52,538 | \$48,000 | \$53,533 |
| Payments to parents who provided home education programs to students Note | \$2,288,751 | \$2,965,688 | \$2,196,175 |
| Contracts (providing services to school) Note | \$1,089,660 | \$1,196,759 | \$1,074,133 |
| Services and supplies Note | \$775,673 | \$560,000 | \$727,352 |
| Regional Collaborative Service Delivery | \$0 | \$0 | \$0 |
| Gross school generated funds | \$0 | \$0 | \$0 |
| Capital and debt services | | | |
| Amortization of capital assets: | | | |
| From restricted funds | \$0 | \$0 | \$0 |
| From unrestricted funds | \$358 | \$10,000 | \$165 |
| Total amortization of capital assets | \$358 | \$10,000 | \$165 |
| Interest on capital debt | \$0 | \$0 | \$0 |
| Other interest charges | \$3,740 | \$1,500 | \$2,537 |
| Losses (gains) on disposal of capital assets | \$0 | \$0 | \$0 |
| Other Note | \$190,710 | \$130,000 | \$142,809 |
| Total Expenses | \$5,905,715 | \$6,023,747 | \$5,638,727 |
| SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES | (\$246,132) | \$53,241 | (\$267,154) |
| | (\$246,132) | | |

Note: * Input "(Restated)" in Budget 2016 and/or AFS 2015 column headings where comparatives are not taken from the respective finalized 2015/2016 Budget Report and/or finalized 2014/2015 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31
(in dollars)

| | AFS 2016 | AFS 2015 (NOTE *) |
|--|--------------------|----------------------|
| CASH FLOWS FROM: | | |
| A. OPERATING ACTIVITIES | | |
| Surplus (deficit) of revenues over expenses for the year | (\$246,132) | (\$267,154) |
| Add (Deduct) items not requiring cash: | | |
| Amortization of capital allocations revenue | \$0 | \$0 |
| Total amortization expense | \$358 | \$165 |
| Add losses or deduct gains on disposal of capital assets | \$0 | \$0 |
| Changes in accrued accounts: | | |
| Accounts receivable | \$98,423 | (\$6,511) |
| Prepays and other current assets | \$103,538 | (\$22,254) |
| Payables and accrued liabilities | (\$136,729) | \$130,765 |
| Deferred revenue | \$23,863 | \$63,501 |
| Other (specify): | \$0 | \$0 |
| Total sources (uses) of cash from operations | (\$156,679) | (\$101,488) |
| B. INVESTING ACTIVITIES | | |
| Purchases of capital assets: | | |
| Land | \$0 | \$0 |
| Buildings | \$0 | \$0 |
| Leasehold improvements | \$0 | \$0 |
| Equipment | \$0 | \$0 |
| Vehicles | \$0 | \$0 |
| Net proceeds from disposal of capital assets | \$0 | \$0 |
| Other (specify): | \$0 | \$0 |
| Total sources (uses) of cash from investing activities | \$0 | \$0 |
| C. FINANCING ACTIVITIES | | |
| Capital contributions received | \$0 | \$0 |
| Issuance of long term debt | \$0 | \$0 |
| Repayment of long term debt | \$0 | \$0 |
| Other (specify): Advance from related party | \$0 | (\$10,000) |
| Total sources (uses) from financing activities | \$0 | (\$10,000) |
| Net sources (uses) of cash equivalents* * during year | (\$156,679) | (\$111,488) |
| Cash equivalents at the beginning of year | \$443,066 | \$554,554 |
| Cash equivalents at the end of year | \$286,387 | \$443,066 |
| | \$286,387 | \$443,066 |

NOTE: * Input "(Restated)" in 2015 column heading where not taken from the finalized 2014/2015 Audited Financial Statements.
* * Cash equivalents consist of cash and temporary investments net of bank indebtedness.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2016
 (in dollars)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|--|---------------------------------|---|---|-----------------------|----------------------|-------------------|----------------------|
| | TOTAL NET ASSETS (Columns 2+3+4) | INVESTMENT IN CAPITAL ASSETS | UNRESTRICTED NET ASSETS (+, -) | TOTAL RESTRICTED NET ASSETS (Columns 5 to 8) | RESTRICTED NET ASSETS | | | |
| | | | | | OPERATING RESERVES | | CAPITAL RESERVES | |
| | | | | | Grades K to 12 | External Services | Grades K to 12 | External Services |
| Balance at August 31, 2015 | \$43,641 | \$40,750 | (\$7,023) | \$9,914 | \$0 | \$0 | \$0 | \$9,914 |
| Prior period adjustments (specify): | | | | | | | | |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Adjusted balance, August 31, 2015 | \$43,641 | \$40,750 | (\$7,023) | \$9,914 | \$0 | \$0 | \$0 | \$9,914 |
| Surplus(deficit) of revenues over expenses (from page 3) | | | | | | | | |
| | (\$246,132) | | (\$246,132) | | | | | |
| Capital asset acquisitions (less financed and/or less capital contributions received) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Donations of non-amortizable assets | \$0 | \$0 | | | | | | |
| Amortization of capital assets (expense) * | | (\$358) | \$358 | | | | | |
| Amortization of capital allocations (revenue) ** | | \$0 | \$0 | | | | | |
| Disposal of capital assets | | \$0 | \$0 | \$0 | | | \$0 | \$0 |
| Debt principal payments *** | | \$0 | \$0 | | | | | |
| Net transfers to/from operating reserves | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Net transfers to/from capital reserves | \$0 | \$0 | \$0 | \$0 | | | \$0 | \$0 |
| Other transfers (specify): | \$0 | \$0 | \$0 | | | | | |
| | | | | | | | | |
| Balance at August 31, 2016 | (\$202,491) | \$40,392 | (\$252,797) | \$9,914 | \$0 | \$0 | \$0 | \$9,914 |
| | (\$202,491) | (\$202,491) | \$40,392 | (\$252,797) | \$9,914 | | | |

Note:

- * Amortization of Capital Assets expense decreases the Investment in Capital Assets and increases Unrestricted Net Assets.
- ** Amortization of Capital Allocations revenue increases the Investment in Capital Assets and decreases Unrestricted Net Assets.
- *** Principal payments increase Investment in Capital Assets and decreases Unrestricted Net Assets as the outstanding capital debt is paid down.

**SCHEDULE 1
 ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS
 for the Year Ended August 31, 2016**

| REVENUES | TOTAL | Home Education | Early Childhood Services | Instruction (Grades 1 to 12) | Operations and Maintenance of Schools (Grades 1 to 12) | Transportation (Grades 1 to 12) | Board and System Administration (Grades 1 to 12) | External Services |
|---|--------------------|--------------------|--------------------------|------------------------------|--|---------------------------------|--|-------------------|
| Alberta Education allocations | | | | | | | | |
| (1) Instruction | \$5,566,376 | \$5,493,152 | \$0 | \$73,224 | | | | |
| (2) Severe Disabilities | \$0 | | | \$0 | | | | |
| (3) Early literacy (EL) | \$0 | | | \$0 | | | | |
| (4) English as a Second Language (ESL) | \$0 | | \$0 | \$0 | | | | |
| (5) Regional Collaborative Service Delivery (RCSD) | \$0 | \$0 | \$0 | \$0 | | | | |
| (6) Other - Alberta Education | \$12,265 | \$5,447 | \$0 | \$6,818 | \$0 | | | |
| TOTAL ALBERTA EDUCATION ALLOCATIONS | \$5,578,641 | \$5,498,599 | \$0 | \$80,042 | \$0 | | | |
| (7) Other Government of Alberta | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (8) Federal Government and/or First Nations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (9) Other Alberta school authorities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (10) Instructional fees / tuition fees | \$22,561 | \$12,041 | \$0 | \$10,520 | | | | \$0 |
| (11) Non-instructional fees (O&M *, Transport, Admin, etc.) | \$0 | W | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (12) Other sales and services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (13) Interest on investments | \$28 | \$0 | \$0 | \$28 | \$0 | \$0 | \$0 | \$0 |
| (14) Gifts and donations | \$9,680 | \$6,131 | \$0 | \$213 | \$0 | \$0 | \$0 | \$3,336 |
| (15) Gross school generated funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (16) Amortization of capital allocations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (17) Other (specify): Workshop | \$48,673 | \$13,900 | \$0 | \$34,773 | \$0 | \$0 | \$0 | \$0 |
| TOTAL REVENUES | \$5,659,583 | \$5,659,583 | \$5,530,671 | \$125,576 | \$0 | \$0 | \$0 | \$3,336 |
| EXPENSES | | | | | | | | |
| (18) Certificated salaries | \$72,000 | \$0 | \$0 | \$36,000 | | | \$36,000 | \$0 |
| (19) Certificated benefits | \$1,408 | \$0 | \$0 | \$704 | | | \$704 | \$0 |
| (20) Non-certificated salaries and wages | \$1,304,916 | \$1,089,896 | \$0 | \$215,020 | \$0 | \$0 | \$0 | \$0 |
| (21) Non-certificated benefits | \$66,365 | \$52,538 | \$0 | \$13,827 | \$0 | \$0 | \$0 | \$0 |
| SUB-TOTAL | \$1,444,689 | \$1,142,434 | \$0 | \$265,551 | \$0 | \$0 | \$36,704 | \$0 |
| (22) Services, contracts & supplies - other than leases | \$4,266,220 | \$4,154,086 | \$0 | \$83,674 | \$0 | \$0 | \$25,775 | \$2,685 |
| Leases - Building | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Leases - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (23) Severe Disabilities | \$0 | | | \$0 | | | | |
| (24) Early literacy (EL) | \$0 | | | \$0 | | | | |
| (25) English as a Second Language (ESL) | \$0 | | \$0 | \$0 | | | | |
| (26) Regional Collaborative Service Delivery (RCSD) | \$0 | \$0 | \$0 | \$0 | | | | |
| (27) Gross school generated funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital and debt services | | | | | | | | |
| Amortization of capital assets | | | | | | | | |
| (28) From restricted funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (29) From unrestricted funds | \$358 | \$322 | \$0 | \$36 | \$0 | \$0 | \$0 | \$0 |
| (30) Interest on capital debt | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (31) Other interest charges | \$3,740 | \$3,467 | \$0 | \$273 | \$0 | \$0 | \$0 | \$0 |
| (32) Losses (gains) on disposal of capital assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| (33) Other (specify): Workshop expenses | \$190,708 | \$190,708 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL EXPENSES | \$5,905,715 | \$5,905,715 | \$5,491,017 | \$349,534 | \$0 | \$0 | \$62,479 | \$2,685 |
| Surplus(deficit) of revenues over expenses | | (\$246,132) | \$39,654 | (\$223,958) | \$0 | \$0 | (\$62,479) | \$651 |

(\$246,132)

* (O&M) Operations & Maintenance of Schools.

Private School Authority Code: 9946
 School Code: 9988

**SCHEDULE 2
 ANALYSIS OF EARLY CHILDHOOD SERVICES REVENUES AND EXPENSES
 for the Year Ended August 31, 2016**

| | AFS 2016 | AFS 2015** |
|--|-------------|------------|
| REVENUES | | |
| Alberta Education * | | |
| Base Instruction | \$0 | \$0 |
| Regional Collaborative Service Delivery (RCSD) | \$0 | \$0 |
| Mild/Moderate Disabilities/Delays, Gifted & Talented | \$0 | \$0 |
| Program Unit (PU) | \$0 | \$0 |
| English as a Second Language (ESL) | \$0 | \$0 |
| Transportation - special needs | \$0 | \$0 |
| Transportation - regular | \$0 | \$0 |
| Plant Operations and Maintenance | \$0 | \$0 |
| Administration | \$0 | \$0 |
| Equity of Opportunity | \$0 | \$0 |
| SuperNet Services | \$0 | \$0 |
| Other-Alberta Education | \$0 | \$0 |
| Total Alberta Education Revenues | \$0 | \$0 |
| Instruction fees | \$0 | \$0 |
| All other revenues | \$0 | \$0 |
| TOTAL REVENUES* * * | \$0 | \$0 |
| EXPENSES | | |
| Instruction | \$0 | \$0 |
| Parent resources, coordination and teacher in-service | \$0 | \$0 |
| Food services program | \$0 | \$0 |
| Administration | \$0 | \$0 |
| Operations & maintenance | \$0 | \$0 |
| Transportation | \$0 | \$0 |
| English as a Second Language (ESL) | \$0 | \$0 |
| Regional Collaborative Service Delivery (RCSD) | \$0 | \$0 |
| All other expenses | \$0 | \$0 |
| TOTAL EXPENSES* * * | \$0 | \$0 |
| SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES | \$0 | \$0 |

* Alberta Education Revenues as per Funding for School Authorities in the 2015/2016 School Year Manual under the Early Childhood Services section.
 * * Input "(Restated)" in AFS 2015 column heading where not taken from the finalized 2014/2015 Audited Financial Statements and Supporting Schedules.
 * * * The total revenues and expenses on this schedule must agree with the Schedule 1 total revenues and expenses allocated under the ECS program.

**SCHEDULE 3
 ANALYSIS OF EARLY CHILDHOOD SERVICES TRANSPORTATION REVENUES AND EXPENSES
 for the Year Ended August 31, 2016**

| Sub-Program Classification | Revenues | Expenses | Net |
|---|----------|----------|-----|
| Children with Mild/Moderate Disabilities/Delays | | | |
| To-and-from school | \$0 | \$0 | \$0 |
| Home visits | \$0 | \$0 | \$0 |
| Field trips | \$0 | \$0 | \$0 |
| Children with Severe Disabilities (Program Unit) | | | |
| To-and-from school | \$0 | \$0 | \$0 |
| Home visits | \$0 | \$0 | \$0 |
| Field trips and in-program transportation | \$0 | \$0 | \$0 |
| Children with No Disabilities (Regular) | | | |
| To-and-from school | \$0 | \$0 | \$0 |
| Field trips | \$0 | \$0 | \$0 |
| Other (specify): | \$0 | \$0 | \$0 |
| TOTAL | \$0 | \$0 | \$0 |

**SCHEDULE 4 (Note *)
 ANALYSIS OF EARLY CHILDHOOD SERVICES PROGRAM UNIT EXPENSES
 for the Year Ended August 31, 2016**

| | AFS 2016 | AFS 2015 *** |
|---|-------------|--------------|
| Instruction | | |
| Salaries & wages (non-certificated) | \$0 | \$0 |
| Benefits (non-certificated) | \$0 | \$0 |
| Specialized services and supports | \$0 | \$0 |
| Supplies and materials | \$0 | \$0 |
| Parent and staff in-service | \$0 | \$0 |
| Transportation | | |
| Total Program Unit transportation costs (from schedule 3) | \$0 | |
| Less transportation revenues (from schedule 3) | \$0 | |
| Total | \$0 | |
| Program Unit Transportation costs in excess of transportation funding ** | \$0 | \$0 |
| Specialized equipment & furniture (child specific) | \$0 | \$0 |
| Total | \$0 | \$0 |

Note: * Designated Special Education ECS Programs do not need to complete this schedule. Costs for these programs will be determined using Schedule 2.
 ** If transportation revenues exceed transportation costs (i.e. negative number as total), then 0 will be entered.
 *** Input "(Restated)" in AFS 2015 column heading where not taken from the finalized 2014/2015 Audited Financial Statements and Supporting Schedules.

TRINITY CHRISTIAN SCHOOL ASSOCIATION 9946
NOTES TO THE COMBINED FINANCIAL STATEMENTS
AUGUST 31, 2016

1. AUTHORITY AND PURPOSE

Trinity Christian School Association (the "Association") delivers education programs under the authority of the *School Act*, Chapter S-3, Revised Statutes of Alberta 2000, current as of October 1, 2005. It operates a private school in Northern Alberta under this authority. The Association is a non-taxable organization.

WISDOM Home Schooling Society delivers home education administration to the Board of Directors of Trinity Christian School Association. Trinity Christian School Association operates under the authority of the *School Act*, Section 22(6); Private Schools Regulations Section 9. WISDOM Home Schooling Society contracts directly with Trinity Christian School Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These combined financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The combined financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Basis of Presentation

The financial statements include the financial statements of Trinity Christian School Association and Wisdom Home Schooling Society. All inter-organization transactions, balances, revenues and expenses are eliminated.

b) Revenue Recognition

The Association follows the deferred method of accounting for contributions. Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Donations in-kind are recorded at fair market value when reasonably determinable. Restricted contributions are recognized as revenue of the Restricted Fund when received or receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Interest income related to funds held on deposit is recognized in the period it is earned.

c) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

| | |
|------------------------|------------|
| Buildings | 4% |
| Equipment | 10% to 20% |
| Leasehold Improvements | 3 years |

Capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

d) School Generated Funds

These are funds which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

e) Vacation Pay

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

f) Prepaid Expenses

Certain expenditures incurred before the close of the school year, such as insurance and rent which will be consumed subsequent to the year-end, are accordingly recorded as prepaid expenses.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Directors of the school authority, to set aside funds for operating and for capital purposes. Such reserves are appropriations of unrestricted net assets.

i) Financial Instruments

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and financial instruments designated to be measured at fair value, which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenses.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenses. A previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenses.

Unless otherwise noted, it is management's opinion the Association is not exposed to significant credit, liquidity or market risk.

3. DEFERRED REVENUE

The deferred family spending balance consists of funds provided by Alberta Learning for each enrolled home education student that have not been spent on learning resources by the student's parents in the school year and have been requested to be carried forward for use in the following school year. These balances are payable as reimbursements to the relevant individual students when approved learning resource expenses are paid by the student's parent.

Deferred family spending balances that are not requested for carry forward to the following school year by the student's parents are included in general revenues of the Association.

| | 2016 | 2015 |
|--------------------------|---------|---------|
| Deferred family spending | 503,185 | 479,322 |

4. COMMITMENTS

The Association has leases for its premises and equipment which expire in August 2017. The lease for its premises is signed with companies controlled by a director of Wisdom Home Schooling Society of Alberta.

Future minimum lease payments for the remainder of the leases are as follows:

| | | |
|------|----|--------|
| 2017 | \$ | 91,179 |
|------|----|--------|

5. CAPITAL ASSETS

| | August 31, 2016 | | | 2015 |
|------------------------|------------------|--------------------------|------------------|------------------|
| | Cost | Accumulated Amortization | Net | Net |
| Leasehold improvements | \$ 28,205 | \$ 28,205 | \$ --- | \$ 323 |
| Equipment | 5,000 | 5,000 | --- | --- |
| Land | 40,000 | --- | 40,000 | 40,000 |
| Building | 896 | 503 | 393 | 428 |
| | <u>\$ 74,101</u> | <u>\$ 33,708</u> | <u>\$ 40,393</u> | <u>\$ 40,751</u> |

6. RELATED PARTY TRANSACTIONS

The following is a summary of the Association's related party transactions:

| | 2016 | 2015 |
|--|---------|---------|
| Directors of WISDOM Home Schooling | | |
| Administration services paid | 218,876 | 243,936 |
| Premises rent paid | 115,800 | 105,000 |
| Mileage paid | 29,368 | 25,041 |
| Facilitator contract paid | 2,310 | 28,215 |
| Salaries and benefits | 126,881 | 120,317 |
| Relatives of the Directors of WISDOM Home Schooling | | |
| Administration services paid | 5,196 | 2,856 |
| Mileage paid | 20,203 | 20,091 |
| Facilitator contract paid | 69,960 | 62,700 |
| Salaries and benefits | 336,156 | 318,845 |
| Maintenance | 4,936 | 3,150 |

Directors of Trinity Christian School Association

| | | |
|------------------------------|----------------|---------|
| Administration services paid | 20,000 | 30,000 |
| Mileage paid | 636 | --- |
| Salaries and benefits | 116,619 | 129,624 |

Relatives of the Directors of Trinity Christian School Association

| | | |
|-----------------------|----------------|---------|
| Salaries and benefits | 200,748 | 207,595 |
| Bookkeeping | 1,080 | 2,160 |

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. ECONOMIC DEPENDENCE

Trinity Christian School Association 9946 School Authority's primary source of income is from the Alberta Government. The Authority's ability to continue viable operations is dependent on this funding.

8. ALBERTA EDUCATION, HOME EDUCATION FUNDING BALANCES AND TRANSACTIONS:

| | Full Time Equivalent (FTE) Enrolled Students | 2015/2016 | 2014/2015 |
|---|--|---------------------|---------------------|
| Home Education funding received from Alberta Education | 3309 | \$ 5,517,015 | \$ 5,304,585 |
| Alberta Education funding allocated to Home Education program | | \$ 5,161,810 | \$ 4,911,460 |
| Alberta Education funding: | | | |
| 1. Paid to parents | | <u>\$ 2,288,115</u> | <u>\$ 2,196,175</u> |
| 2. Unclaimed by parents | | <u>\$ 503,185</u> | <u>\$ 479,322</u> |
| 3. Declined by parents | | <u>\$ 276,552</u> | <u>\$ 267,506</u> |

Home Education funding received from Alberta Education are payments received during the year. However, \$503,185 of the funding was deferred as at year-end (2015 - \$479,322).

9. BUDGET AMOUNTS

The budget was prepared by the school authority and approved by the Board of Directors. It is presented for information purposes only and has not been audited.

10. CONTINGENCY

Canada Revenue Agency performed a Goods and Services Tax audit on the Association subsequent to the 2016 fiscal year. No amount has been accrued in the combined financial statements as the outcome of this matter cannot be determined and the potential repayable amount cannot be reliably determined.

11. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified where necessary to conform to actual 2016 presentation.