

DATE: November 27, 2018

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: 2017-2018 Audited Financial Statements

ORIGINATOR: Todd Burnstad, Chief Financial Officer

RESOURCE STAFF: Vanessa Croswell-Klettke, Madonna Proulx, Amanda Wong

REFERENCE: N/A

ISSUE

On an annual basis Alberta Education requires the District to complete and submit audited financial statements on an August 31, fiscal year by November 30.

BACKGROUND

This report includes:

- the audited financial statements, notes to the financial statements and unaudited schedules
- the Auditor's report from PricewaterhouseCoopers LLP (PwC) regarding their audit opinion.

RELATED FACTS

Under Section 150 of the *School Act*, the Board Chair is required to present the auditor's report to a public Board meeting to provide an opportunity for discussion.

On November 23, 2018, the Audit Committee had an opportunity to review and discuss the audited financial statements and auditor's letter regarding the opinion.

The Audit Committee approved the following recommendation be brought forward to the Board of Trustees for approval.

RECOMMENDATION

That the 2017-2018 audited financial statements, notes to the financial statements and unaudited schedules be approved.

NEXT STEPS

Once approved, the 2017-2018 Audited Financial Statements will be posted on the District website and also forwarded to the Minister of Education by November 30, 2018.

ATTACHMENTS and APPENDICES

ATTACHMENT I Audited Financial Statements for year ended August 31, 2018

TB:ja

School Jurisdiction Code: **3020**

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Edmonton School District No. 7

Legal Name of School Jurisdiction

One Kingsway Centre for Education Edmonton AB T5H 4G9

Mailing Address

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Contact Numbers and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Edmonton School District No. 7 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations, 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

Michelle Draper

Name

Signature

SUPERINTENDENT

Darrel Robertson

Name

Signature

SECRETARY-TREASURER OR TREASURER

Todd Burnstad

Name

Signature

November 27, 2018

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
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TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENT OF OPERATIONS	5
CONSOLIDATED STATEMENT OF CASH FLOWS	6
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT	7
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
Schedule 1: SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	9
Schedule 2: SCHEDULE OF CAPITAL REVENUE	11
Schedule 3: SCHEDULE OF PROGRAM OPERATIONS	12
Schedule 4: SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES	13
Schedule 5: SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS	14
Schedule 6: SCHEDULE OF CAPITAL ASSETS	15
Schedule 7: SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES	16
Schedule 8: UNAUDITED SCHEDULE OF FEES	17
Schedule 9: UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	18
Schedule 10: UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	19
Schedule 11: UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES	20
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	21

Independent Auditors report to be given as a separate report to Audit Committee. It will be inserted here for reporting to Alberta Education

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at August 31, 2018 (in dollars)

		2018	2017
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 58,037,274	\$ 85,017,164
Accounts receivable (net after allowances)	(Note 4)	\$ 35,733,485	\$ 61,413,697
Portfolio investments	(Schedule 5; Note 5)	\$ 130,000,000	\$ 130,000,000
Other financial assets		\$ -	\$ -
Total financial assets		\$ 223,770,759	\$ 276,430,861
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 8)	\$ 70,196,822	\$ 80,653,326
Deferred revenue	(Note 9)	\$ 1,019,540,375	\$ 979,677,046
Employee future benefits liabilities	(Note 10)	\$ 9,776,400	\$ 9,832,800
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ 379,188
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans	(Note 11)	\$ 12,370,608	\$ 12,986,323
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 1,111,884,205	\$ 1,083,528,683
Net debt		\$ (888,113,446)	\$ (807,097,822)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 837,590	\$ 837,590
Construction in progress		\$ 139,218,464	\$ 296,585,598
Buildings	\$ 1,584,666,218		
Less: Accumulated amortization	\$ (688,538,226)	\$ 896,127,992	\$ 677,799,614
Equipment	\$ 148,326,520		
Less: Accumulated amortization	\$ (115,981,929)	\$ 32,344,591	\$ 25,140,298
Vehicles	\$ 3,656,600		
Less: Accumulated amortization	\$ (2,660,623)	\$ 995,977	\$ 1,034,225
Computer Equipment	\$ 57,106,979		
Less: Accumulated amortization	\$ (37,407,866)	\$ 19,699,113	\$ 16,934,045
Total tangible capital assets		\$ 1,089,223,727	\$ 1,018,331,370
Prepaid expenses	(Note 12)	\$ 3,366,790	\$ 2,369,537
Other non-financial assets	(Note 13)	\$ 3,113,861	\$ 4,144,641
Total non-financial assets		\$ 1,095,704,378	\$ 1,024,845,548
Accumulated surplus	(Schedule 1; Note 14)	\$ 207,590,932	\$ 217,747,726
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 207,590,932	\$ 217,747,726
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 207,590,932	\$ 217,747,726
Contractual rights	(Note 6)		
Contingent assets	(Note 7)		
Contractual obligations	(Note 15)		
Contingent liabilities	(Note 16)		

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

CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended August 31, 2018 (in dollars)

	Budget 2018	Actual 2018	Actual 2017 (Note 22)
REVENUES			
Alberta Education	\$ 1,069,692,950	\$ 1,094,358,885	\$ 1,030,475,577
Other - Government of Alberta	\$ 2,794,800	\$ 3,895,481	\$ 3,489,627
Federal Government and First Nations	\$ 2,329,100	\$ 2,568,945	\$ 2,903,847
Other Alberta school authorities	\$ 878,400	\$ 1,611,241	\$ 729,851
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 25,697,500	\$ 27,060,642	\$ 31,601,568
Other sales and services	\$ 18,448,500	\$ 20,127,400	\$ 22,323,128
Investment income	\$ 3,200,000	\$ 3,905,732	\$ 2,757,590
Gifts and donations	\$ 5,145,400	\$ 8,970,989	\$ 8,708,246
Rental of facilities	\$ 4,114,400	\$ 4,406,907	\$ 4,075,857
Fundraising	\$ 1,764,100	\$ 2,038,168	\$ 1,976,564
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 1,134,065,150	\$ 1,168,944,390	\$ 1,109,041,855
EXPENSES			
Instruction - ECS	\$ 68,953,525	\$ 81,724,782	\$ 76,891,297
Instruction - Grades 1 - 12	\$ 840,098,158	\$ 813,119,675	\$ 772,098,222
Plant operations and maintenance (Schedule 4)	\$ 152,122,791	\$ 183,327,299	\$ 162,830,169
Transportation	\$ 45,152,385	\$ 46,133,776	\$ 42,787,870
Board & system administration	\$ 36,678,706	\$ 37,760,172	\$ 36,336,740
External services	\$ 18,199,793	\$ 17,035,480	\$ 19,815,433
Total expenses	\$ 1,161,205,358	\$ 1,179,101,184	\$ 1,110,759,731
Operating surplus (deficit)	\$ (27,140,208)	\$ (10,156,794)	\$ (1,717,876)

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

School Jurisdiction Code: 3020		
CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended August 31, 2018 (in dollars)		
	2018	2017
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (10,156,794)	\$ (1,717,876)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 53,215,945	\$ 43,507,102
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ 3,047	\$ 40,116
Expended deferred capital revenue recognition	\$ (42,707,388)	\$ (33,519,270)
Deferred capital revenue write-down / adjustment	\$ 49,443	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 25,680,212	\$ (38,761,047)
Prepays	\$ (997,253)	\$ (579,571)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ 1,030,780	\$ (1,376,602)
Accounts payable, accrued and other liabilities	\$ (10,835,692)	\$ 3,483,645
Deferred revenue (excluding EDCR)	\$ 64,427,560	\$ 166,995,541
Employee future benefit liabilities	\$ (56,400)	\$ (69,900)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 79,653,460	\$ 138,002,138
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (99,214,975)	\$ (189,094,934)
Equipment	\$ (3,135,920)	\$ (11,676,792)
Vehicles	\$ (235,383)	\$ (408,413)
Computer equipment	\$ (3,431,357)	\$ (8,137,144)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (106,017,635)	\$ (209,317,283)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (130,000,000)	\$ (130,000,000)
Dispositions of portfolio investments	\$ 130,000,000	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ (130,000,000)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (615,715)	\$ (597,316)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (615,715)	\$ (597,316)
Increase (decrease) in cash and cash equivalents	\$ (26,979,890)	\$ (201,912,461)
Cash and cash equivalents, at beginning of year	\$ 85,017,164	\$ 286,929,625
Cash and cash equivalents, at end of year	\$ 58,037,274	\$ 85,017,164

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

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2018 (in dollars)

	2018	2017
Operating surplus (deficit)	\$ (10,156,794)	\$ (1,717,876)
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (124,160,792)	\$ (277,983,084)
Amortization of tangible capital assets	\$ 53,215,945	\$ 43,507,102
Net carrying value of tangible capital assets disposed of	\$ 52,490	\$ 40,116
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	
Total effect of changes in tangible capital assets	\$ (70,892,357)	\$ (234,435,866)
Changes in:		
Prepaid expenses	\$ (997,253)	\$ (579,571)
Other non-financial assets	\$ 1,030,780	\$ (1,376,602)
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Decrease (increase) in net debt	\$ (81,015,624)	\$ (238,109,915)
Net debt at beginning of year	\$ (807,097,822)	\$ (568,987,907)
Net debt at end of year	\$ (888,113,446)	\$ (807,097,822)

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

CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2018 (in dollars)

	2018	2017
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Prior Period Adjustment 1 (Describe)	\$ -	\$ -
Prior Period Adjustment 2 (Describe)	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE 1

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2018 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2017	\$ 217,747,726	\$ -	\$ 217,747,726	\$ 73,635,715	\$ -	\$ 0	\$ 80,420,780	\$ 63,691,231
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 217,747,726	\$ -	\$ 217,747,726	\$ 73,635,715	\$ -	\$ 0	\$ 80,420,780	\$ 63,691,231
Operating surplus (deficit)	\$ (10,156,794)		\$ (10,156,794)			\$ (10,156,794)		
Board funded tangible capital asset additions				\$ 19,520,172		\$ (12,666,535)	\$ -	\$ (6,853,637)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (3,047)		\$ 3,047		\$ -
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	\$ -			\$ (53,215,945)		\$ 53,215,945		
Capital revenue recognized	\$ -			\$ 42,707,388		\$ (42,707,388)		
Debt principal repayments (unsupported)	\$ -			\$ 615,715		\$ (615,715)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 12,927,440	\$ (12,927,440)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2018	\$ 207,590,932	\$ -	\$ 207,590,932	\$ 83,259,998	\$ -	\$ -	\$ 67,493,340	\$ 56,837,594

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2018 (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
Balance at August 31, 2017	\$ 80,420,780	\$ 63,691,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 80,420,780	\$ 63,691,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (6,853,637)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ (12,927,440)		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2018	\$ 67,493,340	\$ 56,837,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2018 (in dollars)

	Unexpended Deferred Capital Revenue				
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	Expended Deferred Capital Revenue
Balance at August 31, 2017	\$ 21,224,312	\$ -	\$ 2,661,060	\$ 1,238,335	\$ 931,709,331
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 21,224,312	\$ -	\$ 2,661,060	\$ 1,238,335	\$ 931,709,331
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education capital funding (excl. IMR)*	\$ (4,379,038)				
Alberta Infrastructure school building & modular projects	\$ 21,055,345				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 24,591,396				
Other sources: Donations	\$ -			\$ 78,842	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education capital funding (excl. IMR)	\$ -				
Alberta Infrastructure school building & modular projects	\$ 29,299,919				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 144,244	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 18,143,157
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (86,497,463)	\$ -	\$ -	\$ -	\$ 86,497,463
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Supported tangible capital dispositions Furniture and Equipment Disposal					\$ 49,443
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 42,263,443
Capital revenue recognized - Other Government of Alberta					\$ 418,422
Capital revenue recognized - Other revenue					\$ 25,523
Balance at August 31, 2018	\$ 5,438,715	\$ -	\$ 2,661,060	\$ 1,317,177	\$ 993,593,120
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2018 (A) + (B) + (C) + (D)				\$ 9,416,952	

Unexpended Deferred Capital Revenue

* As of April 1, 2018, Alberta Infrastructure assumed responsibility for payment of capital grants. Amounts not yet received from Alberta Education were paid by Alberta Infrastructure which resulted in a negative balance.

(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, 2018 (in dollars)

REVENUES	2018							2017
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 81,221,013	\$ 815,001,665	\$ 129,818,489	\$ 32,970,363	\$ 32,846,551	\$ 2,500,804	\$ 1,094,358,885	\$ 1,030,475,577
(2) Other - Government of Alberta	\$ -	\$ 2,767,430	\$ 465,525	\$ -	\$ 10,443	\$ 652,083	\$ 3,895,481	\$ 3,489,627
(3) Federal Government and First Nations	\$ -	\$ 632,427	\$ 7,097	\$ 9,116	\$ -	\$ 1,920,305	\$ 2,568,945	\$ 2,903,847
(4) Other Alberta school authorities	\$ -	\$ 1,460,925	\$ 137,365	\$ 12,951	\$ -	\$ -	\$ 1,611,241	\$ 729,851
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 45,712	\$ 18,865,673		\$ 7,773,708		\$ 375,549	\$ 27,060,642	\$ 31,601,568
(9) Other sales and services	\$ 3,000	\$ 7,380,487	\$ 372,345	\$ -	\$ 465,727	\$ 11,905,841	\$ 20,127,400	\$ 22,323,128
(10) Investment income	\$ -	\$ -	\$ -	\$ -	\$ 3,905,732	\$ -	\$ 3,905,732	\$ 2,757,590
(11) Gifts and donations	\$ 401,368	\$ 8,514,008	\$ 374	\$ -	\$ 44,975	\$ 10,264	\$ 8,970,989	\$ 8,708,246
(12) Rental of facilities	\$ -	\$ 399,345	\$ 3,729,472	\$ -	\$ 30,590	\$ 247,500	\$ 4,406,907	\$ 4,075,857
(13) Fundraising	\$ -	\$ 2,038,168	\$ -	\$ -	\$ -	\$ -	\$ 2,038,168	\$ 1,976,564
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 81,671,093	\$ 857,060,128	\$ 134,530,667	\$ 40,766,138	\$ 37,304,018	\$ 17,612,346	\$ 1,168,944,390	\$ 1,109,041,855
EXPENSES								
(17) Certificated salaries	\$ 20,770,308	\$ 480,512,983			\$ 5,919,787	\$ 3,695,256	\$ 510,898,334	\$ 490,422,400
(18) Certificated benefits	\$ 4,952,702	\$ 110,539,951			\$ 1,416,832	\$ 655,580	\$ 117,565,065	\$ 112,942,297
(19) Non-certificated salaries and wages	\$ 40,518,806	\$ 100,279,910	\$ 62,735,947	\$ 1,141,582	\$ 16,635,128	\$ 4,579,810	\$ 225,891,183	\$ 210,865,187
(20) Non-certificated benefits	\$ 11,446,400	\$ 23,524,950	\$ 17,284,751	\$ 292,940	\$ 3,962,460	\$ 825,077	\$ 57,336,578	\$ 54,548,869
(21) SUB - TOTAL	\$ 77,688,216	\$ 714,857,794	\$ 80,020,698	\$ 1,434,522	\$ 27,934,207	\$ 9,755,723	\$ 911,691,160	\$ 868,778,753
(22) Services, contracts and supplies	\$ 3,989,546	\$ 89,927,932	\$ 58,856,513	\$ 44,696,805	\$ 8,574,882	\$ 6,959,593	\$ 213,005,271	\$ 197,810,871
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 42,707,388	\$ -	\$ -	\$ -	\$ 42,707,388	\$ 33,519,270
(24) Amortization of unsupported tangible capital assets	\$ 46,695	\$ 8,162,685	\$ 818,269	\$ -	\$ 1,216,418	\$ 264,490	\$ 10,508,557	\$ 9,987,832
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ 388,380	\$ -	\$ -	\$ -	\$ 388,380	\$ 402,435
(27) Other interest and finance charges	\$ 325	\$ 171,264	\$ 533,004	\$ 2,449	\$ 34,665	\$ 55,674	\$ 797,381	\$ 220,454
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ 3,047	\$ -	\$ -	\$ -	\$ 3,047	\$ 40,116
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 81,724,782	\$ 813,119,675	\$ 183,327,299	\$ 46,133,776	\$ 37,760,172	\$ 17,035,480	\$ 1,179,101,184	\$ 1,110,759,731
(31) OPERATING SURPLUS (DEFICIT)	\$ (53,689)	\$ 43,940,453	\$ (48,796,632)	\$ (5,367,638)	\$ (456,154)	\$ 576,866	\$ (10,156,794)	\$ (1,717,876)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2018 (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	2018 TOTAL Operations and Maintenance	2017 TOTAL Operations and Maintenance Reclassified
Uncertificated salaries and wages	\$ 37,258,668	\$ 18,522,249	\$ -	\$ -	\$ 6,955,030			\$ 62,735,947	\$ 60,854,596
Uncertificated benefits	\$ 8,418,696	\$ 6,721,583	\$ -	\$ -	\$ 2,144,472			\$ 17,284,751	\$ 15,852,882
Sub-total Remuneration	\$ 45,677,364	\$ 25,243,832	\$ -	\$ -	\$ 9,099,502			\$ 80,020,698	\$ 76,707,478
Supplies and services	\$ 2,876,510	\$ 12,360,575	\$ 879,205	\$ 12,060,157	\$ 843,616			\$ 29,020,063	\$ 23,173,096
Electricity			\$ 9,568,059					\$ 9,568,059	\$ 8,315,071
Natural gas/heating fuel			\$ 7,357,876					\$ 7,357,876	\$ 6,984,092
Sewer and water			\$ 2,421,110					\$ 2,421,110	\$ 2,010,981
Telecommunications			\$ 527,296					\$ 527,296	\$ 565,556
Insurance					\$ 1,884,213			\$ 1,884,213	\$ 2,324,278
ASAP maintenance & renewal payments							\$ 2,780,439	\$ 2,780,439	\$ 3,041,041
Amortization of tangible capital assets									
Supported							\$ 42,707,388	\$ 42,707,388	\$ 33,519,270
Unsupported						\$ 818,269		\$ 818,269	\$ 592,348
Total Amortization						\$ 818,269	\$ 42,707,388	\$ 43,525,657	\$ 34,111,618
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ 388,380		\$ 388,380	\$ 402,435
Lease payments for facilities				\$ 5,297,457				\$ 5,297,457	\$ 5,096,613
Other interest charges						\$ 533,004		\$ 533,004	\$ 57,794
Losses on disposal of capital assets						\$ 3,047		\$ 3,047	\$ 40,116
TOTAL EXPENSES	\$ 48,553,874	\$ 37,604,407	\$ 20,753,546	\$ 17,357,614	\$ 11,827,331	\$ 1,742,700	\$ 45,487,827	\$ 183,327,299	\$ 162,830,169

SQUARE METRES									
School buildings								1,179,224.0	1,329,593.0
Non school buildings								92,932.0	99,301.0

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, 2018 (in dollars)

Cash & Cash Equivalents	2018			2017
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 58,037,274	\$ 58,037,274	\$ 85,017,164
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	<u>0.00%</u>	<u>\$ 58,037,274</u>	<u>\$ 58,037,274</u>	<u>\$ 85,017,164</u>

See Note 3 for additional detail.

Portfolio Investments	2018			2017	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	2.25%	130,000,000	130,000,000	130,000,000	130,000,000
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	<u>0.00%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	<u>0.00%</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	<u>2.25%</u>	<u>\$ 130,000,000</u>	<u>\$ 130,000,000</u>	<u>\$ 130,000,000</u>	<u>\$ 130,000,000</u>

See Note 5 for additional detail.

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

	2018	2017
Under 1 year	0.0%	0.0%
1 to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

SCHEDULE 6School Jurisdiction Code: **3020**

SCHEDULE OF CAPITAL ASSETS
for the Year Ended August 31, 2018 (in dollars)

Tangible Capital Assets	2018							2017
	Land	Construction In Progress*	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total
Estimated useful life			10-50 Years	5-10 Years	5-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ 837,590	\$ 296,585,598	\$ 1,325,013,436	\$ 135,441,734	\$ 3,487,829	\$ 48,618,838	\$ 1,809,985,025	\$ 1,479,642,134
Prior period adjustments	-	-	-	-	-	-	-	52,984,693
Additions	-	105,087,765	12,270,367	3,135,920	235,383	3,431,357	124,160,792	277,983,084
Transfers in (out)	-	(262,454,899)	247,407,040	10,027,221	(36,146)	5,056,784	-	-
Less disposals including write-offs	-	-	(24,625)	(278,355)	(30,466)	-	(333,446)	(624,886)
Historical cost, August 31, 2018	\$ 837,590	\$ 139,218,464	\$ 1,584,666,218	\$ 148,326,520	\$ 3,656,600	\$ 57,106,979	\$ 1,933,812,371	\$ 1,809,985,025
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 647,213,822	\$ 110,301,436	\$ 2,453,604	\$ 31,684,793	\$ 791,653,655	\$ 748,731,323
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	41,349,029	5,909,404	234,439	5,723,073	53,215,945	43,507,102
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(24,625)	(228,911)	(27,420)	-	(280,956)	(584,770)
Accumulated amortization, August 31, 2018	\$ -	\$ -	\$ 688,538,226	\$ 115,981,929	\$ 2,660,623	\$ 37,407,866	\$ 844,588,644	\$ 791,653,655
Net Book Value at August 31, 2018	\$ 837,590	\$ 139,218,464	\$ 896,127,992	\$ 32,344,591	\$ 995,977	\$ 19,699,113	\$ 1,089,223,727	
Net Book Value at August 31, 2017	\$ 837,590	\$ 296,585,598	\$ 677,799,614	\$ 25,140,298	\$ 1,034,225	\$ 16,934,045		\$ 1,018,331,370

	2018	2017
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

*Construction in Progress consists of two new schools, expected to be open on September 1, 2020, two modernizations expected to be complete in the 2018-2019 school year, one modernization expected to be complete in the 2020-2021 school year and all of their respective furniture and equipment. Infrastructure Maintenance Renewal Capital projects not substantially complete by August 31, 2018 are also included. One modernization project managed by Alberta Infrastructure and the furniture and equipment related to that project are also part of this balance.

SCHEDULE 7School Jurisdiction Code: **3020**

SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2018 (in dollars)

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits (1)	Expenses
Chair: DRAPER, MICHELLE	1.00	\$46,579	\$6,882	\$3,429			\$9,903	\$12,260
ADAMS, SHERRY	1.00	\$38,458	\$6,603	\$3,429			\$7,324	\$6,350
CHUBB, ORVILLE ¹	0.15	\$9,202	\$526	\$531			\$0	\$243
DUNN, SHELAGH ²	0.85	\$32,150	\$6,009	\$2,898			\$1,453	\$824
ESTABROOKS, TRISHA ²	0.85	\$34,831	\$6,142	\$2,898			\$1,556	\$3,927
GIBSON, KEN	1.00	\$36,581	\$6,558	\$3,429			\$7,144	\$1,174
IP, NATHAN	1.00	\$35,911	\$3,812	\$3,429			\$7,129	\$10,430
JANZ, MICHAEL	1.00	\$36,715	\$6,521	\$3,429			\$11,692	\$10,348
JOHNER, CHERYL	1.00	\$36,447	\$6,560	\$3,429			\$11,507	\$9,508
MARTIN, RAY ¹	0.15	\$9,941	\$107	\$531			\$0	\$125
STIRLING, BRIDGET	1.00	\$40,789	\$6,748	\$3,429			\$4,879	\$1,763
							\$0	\$0
Subtotal	9.00	\$357,604	\$56,468	\$30,861			\$62,587	\$56,953
ROBERTSON, DARREL, Superintendent	1.00	\$285,077	\$41,007	\$49,173	\$0	\$0	\$82,098	\$2,667
BURNSTAD, TODD, Treasurer	1.00	\$194,834	\$34,837	\$3,429	\$0	\$0	\$35,798	\$6,856
MILLS, KAREN, Board Secretary	1.00	\$133,074	\$28,996	\$0	\$0	\$0	\$3,620	\$541
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated		\$510,613,257	\$114,563,195	\$1,505,813	\$0	\$143,273	\$1,180,506	
School based	5,017.03							
Non-School based	192.00							
Non-certificated		\$225,205,671	\$45,883,732	\$4,007,025	\$0	\$94,284	\$7,094,941	
Instructional	2,471.60							
Plant Operations & Maintenance	939.60							
Transportation	17.80							
Other	446.60							
TOTALS	9,096.63	\$736,789,517	\$160,608,235	\$5,596,301	\$0	\$237,557	\$8,459,550	\$67,017

(1) Other Accrued Unpaid Benefits Include: Accrued untaken vacation leave, Trustees' severance, and Superintendent's SERP benefits

¹ Chubb, Martin - Defeated in election or did not seek re-election (Termination Date Oct. 23, 2017)

² Dunn, Estabrooks - Effective date Oct. 24, 2017

UNAUDITED SCHEDULE OF FEES
for the Year Ending August 31, 2018 (in dollars)

	Actual Fees Collected 2016/2017	Budgeted Fee Revenue 2017/2018	(A) Actual Fees Collected 2017/2018	(B) Unexpended September 1, 2017*	(C) Funds Raised to Defray Fees 2017/2018	(D) Expenditures 2017/2018	(A) + (B) + (C) - (D) Unexpended Balance at August 31, 2018*
Transportation Fees	\$11,429,169	\$7,144,380	\$7,773,708	\$0	\$0	\$44,633,298	\$0
Basic Instruction Fees							
Basic instruction supplies	\$2,407,492	\$0	\$146,064	\$1,058,754	\$0	\$700,947	\$503,871
Fees to Enhance Basic Instruction							
Technology user fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$169,220	\$168,290	\$218,927	\$60,221	\$0	\$83,407	\$195,741
Fees for optional courses	\$3,297,268	\$3,346,898	\$2,464,838	\$569,489	\$0	\$2,520,067	\$514,260
Activity fees	\$6,066,683	\$6,538,074	\$7,276,846	\$190,607	\$0	\$7,356,210	\$111,243
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$831,614	\$0	\$1,020,216	\$0	\$0	\$1,020,216	\$0
Non-Curricular fees							
Extracurricular fees	\$2,767,118	\$3,048,527	\$2,952,465	\$420,973	\$0	\$2,907,674	\$465,764
Non-curricular travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$4,084,489	\$4,462,709	\$4,381,629	\$0	\$0	\$5,103,568	\$0
Non-curricular goods and services	\$548,515	\$409,022	\$825,949	\$88,972	\$0	\$726,526	\$188,395
Other Fees	\$0	\$579,600	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$31,601,568	\$25,697,500	\$27,060,642	\$2,389,016	\$0	\$65,051,913	\$1,979,274

*Unexpended balances cannot be less than \$0

Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):	Actual 2018	Actual 2017 Reclassified
Cafeteria sales, hot lunch, milk programs	\$1,283,069	\$1,375,095
Special events, graduation, tickets	\$1,362,155	\$1,755,257
International and out of province student revenue	\$6,883,046	\$6,641,481
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$897,294	\$1,139,661
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Library fines, book donations	\$215,664	\$229,067
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$10,641,228	\$11,140,562

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2018 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	8,914	1,949	17,880		
Federally Funded Students	65				
REVENUES					
Alberta Education allocated funding	\$ 10,092,194	\$ 40,705,119	\$ 21,224,944	\$ 73,167,734	\$ -
Other funding allocated by the board to the program	\$ 283,920	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 10,376,114	\$ 40,705,119	\$ 21,224,944	\$ 73,167,734	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 2,737,733	\$ 7,966,099	\$ 1,595,962	\$ 21,655,072	
Instructional non-certificated salaries & benefits	\$ 3,552,059	\$ 31,149,234	\$ 19,114,477	\$ 58,821,120	
SUB TOTAL	\$ 6,289,792	\$ 39,115,333	\$ 20,710,439	\$ 80,476,192	
Supplies, contracts and services	\$ 3,137,025	\$ 1,537,129	\$ 3,549,248	\$ 12,555,997	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ 2,288,211	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ -	\$ 52,657	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 11,715,028	\$ 40,705,119	\$ 24,259,687	\$ 93,032,189	
NET FUNDING SURPLUS (SHORTFALL)	\$ (1,338,914)	\$ -	\$ (3,034,743)	\$ (19,864,455)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2018 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 579,793	\$ 43,636	\$ -	\$ 623,429	\$ -	\$ -	\$ -	\$ 623,429
Educational administration (excluding superintendent)	\$ 2,890,384	\$ 1,203,528	\$ -	\$ 4,093,912	\$ 1,103,541	\$ 166,649	\$ -	\$ 5,364,102
Business administration	\$ 4,831,015	\$ 1,033,130	\$ -	\$ 5,864,145	\$ 1,718,577	\$ 3,043,686	\$ -	\$ 10,626,408
Board governance (Board of Trustees)	\$ 881,228	\$ 867,272	\$ -	\$ 1,748,500	\$ -	\$ 56,642	\$ -	\$ 1,805,142
Information technology	\$ 1,871,297	\$ 428,978	\$ -	\$ 2,300,275	\$ 11,258,733	\$ 3,830,886	\$ -	\$ 17,389,894
Human resources	\$ 8,951,022	\$ 1,195,096	\$ -	\$ 10,146,118	\$ 3,390,251	\$ 210,167	\$ -	\$ 13,746,536
Central purchasing, communications, marketing	\$ 4,147,117	\$ 788,726	\$ -	\$ 4,935,843	\$ 2,399,163	\$ 1,258,388	\$ -	\$ 8,593,394
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration - insurance			\$ 269,724	\$ 269,724			\$ 2,528,246	\$ 2,797,970
Administration - amortization			\$ 1,216,418	\$ 1,216,418			\$ 759,338	\$ 1,975,756
Administration - other (admin building, interest)			\$ 1,532,335	\$ 1,532,335			\$ 81,578	\$ 1,613,913
Building Operations/Facilities Services	\$ 1,182,810	\$ 1,076,768	\$ -	\$ 2,259,578	\$ 1,080,147	\$ 716,153	\$ -	\$ 4,055,878
District Support Services/Student Information	\$ 1,782,942	\$ 53,324	\$ -	\$ 1,836,266	\$ 1,028,079	\$ 23,833	\$ -	\$ 2,888,178
Archives Museum/Foundation	\$ 816,598	\$ 117,031	\$ -	\$ 933,629	\$ 95,766	\$ 10,229	\$ -	\$ 1,039,624
TOTAL EXPENSES	\$ 27,934,206	\$ 6,807,489	\$ 3,018,477	\$ 37,760,172	\$ 22,074,257	\$ 9,316,633	\$ 3,369,162	\$ 72,520,224

		School Jurisdiction Code:	3020
SCHEDULE 11	Average Estimated # of Students Served Per Meal:	295.00	
UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES for the Year Ending August 31, 2018			
		Budget 2018	2018
REVENUES			
Alberta Education - current		\$ 204,331	\$ 204,331
Alberta Education - prior year		\$ -	\$ -
Other Funding		\$ -	\$ -
TOTAL REVENUES		\$ 204,331	\$ 204,331
EXPENSES			
Salaries & Benefits	FTE		
Project Coordinator		\$ -	\$ -
Cook		\$ -	\$ -
Other (please describe)			\$ -
Other (please describe)		\$ -	\$ -
Nutrition Support Workers (salary + MERC)		\$ 146,925	\$ 92,008
Food Supplies		\$ -	\$ -
Office Supplies		\$ -	\$ -
Small Kitchenwares (e.g. toaster, measuring cups/spoons, bowls, cutting boards)		\$ 1,750	\$ 14,084
Non-Capitalized Assets			
Microwave		\$ -	\$ -
Refrigerator		\$ -	\$ 44,765
Stove		\$ -	\$ -
Tables		\$ -	\$ -
Carts to transport / deliver meals		\$ 500	\$ 2,512
Other (please describe)		\$ -	\$ -
Other (please describe)		\$ -	\$ -
Training (e.g. workshops, training materials)		\$ -	\$ -
Contracted Services (please describe)		\$ 50,906	\$ 47,366
Other Expenses			
Kitchen Aprons		\$ -	\$ -
Food Delivery		\$ 2,000	\$ -
Travel and Accomodation for Meetings		\$ 1,500	\$ -
Cleaning and sanitation supplies		\$ 750	\$ 1,323
TOTAL EXPENSES		\$ 204,331	\$ 202,058
ANNUAL SURPLUS/DEFICIT		\$ -	\$ 2,273



1. AUTHORITY AND PURPOSE

Edmonton School District No. 7 (the District) is empowered to provide public education through bylaws approved by its Board of Trustees and under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the *CPA Canada Public Sector Accounting Standards (PSAS)*. The consolidated 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 Consolidation

The accounts of the District are fully consolidated with the following controlled entity on a line-by-line basis:

Edmonton Public Schools Foundation (the Foundation), was established in 2009 by the District for the purposes of fundraising. The Foundation was incorporated under the *Societies Act* of the Province of Alberta.

Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the District and the Foundation have been eliminated.

(b) 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.

(c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

(d) Portfolio Investments

The District has an investment in a Guaranteed Investment Certificate (GIC) that has a maturity of greater than three months. GICs not quoted in an active market are reported at cost or amortized cost.

(e) Tangible capital assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.



(e) Tangible capital assets (continued):

- Construction-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue (EDCR).
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets are amortized over their estimated useful lives, commencing the following year of acquisition, on a straight-line basis, at the following rates:

Buildings	2% to 10%
Vehicles	10%
Computer Hardware & Software	20%
Other Equipment & Furnishings	10%

(f) Other Assets

Under the Edmonton Joint Use Agreement: Land, school lands are acquired by the City of Edmonton through reserve dedication. Land interest is transferred to the District for a nominal cost when a school is built. This land is not recognized in the District's financial statements, as the land reverts to the City of Edmonton or another school jurisdiction at nominal cost upon disposition. Only in historical instances does the District have control over school site land or the proceeds gained on its disposal, typically on sites that were acquired prior to the adoption of provincial planning legislation requiring land dedication.

(g) Deferred Revenue

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

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

- Unexpended Deferred Capital Revenue (UDCR) represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the District, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.
- Expended Deferred Capital Revenue (EDCR) represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the District to use the asset in a prescribed manner over the life of the associated asset.

(h) Employee Future Benefits

The District provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.



(h) Employee Future Benefits (continued)

The District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include the non-registered Supplemental Executive Retirement Program (SERP), retirement allowances and non-vested accumulating sick leave. The future benefits cost is actuarially determined using the projected benefit actuarial cost method prorated on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the combined expected future cash flows of each benefit and the long-term high quality Canadian corporate bond rates as of August 31, 2018.

(i) Asset Retirement Obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations. As such, there is no asset retirement obligation recorded as at August 31, 2018.

The District has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Government of Alberta. The District believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

(j) Contaminated Sites

Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. The District has completed a review of its sites and determined that though certain contaminants exist, there is insufficient information to determine the extent and cost of remediation.

(k) Operating and Capital Reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

(l) Revenue Recognition

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

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

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



(l) Revenue Recognition (continued)

Contributions with stipulations are recognized as revenue in the period that the stipulations are met, except to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with PS 3200. Such liabilities are recorded as deferred revenue.

(m) Expenses

Expenses are reported on an accrual basis. The cost of goods consumed and services received during the year is expensed.

(n) Pensions

Pension costs included in these consolidated financial statements are comprised of the cost of employer contributions for current service of employees during the year.

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 *Teacher's Pension Plan Act*, the District does not make pension contributions for certificated staff. The Government portion of the current service contribution to the ATRF on behalf of the District is included in both revenues and expenses. For the school year ended August 31, 2018, the amount contributed by the Government was \$57,782,881 (2017 - \$56,097,698).

The District 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 \$20,154,380 for the year ended August 31, 2018 (2017 - \$20,080,599). At December 31, 2017, the Local Authorities Pension Plan reported a surplus of \$4,835,515,000 (2016 – deficit of \$637,357,000).

The District and the Superintendent participate in a multi-employer registered Supplemental Integrated Pension Plan (SIPP). This plan is supplemental to the ATRF. Employers are solely responsible for contributions to the pension plan.

(o) Program Reporting

The Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1 – 12 Instruction:** The provision of instructional services for grades 1 – 12 that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facility expenses.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education must be self-supporting, and Alberta Education funding may not be utilized to support these programs.



(o) Program Reporting (continued)

The allocation of revenues and expenses are reported by program, source, and object on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants as well as a proportionate share of supplies & services, school administration & instruction support, and system instructional support.

(p) Trusts Under Administration

The District has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The District holds title to the property for the benefit of the beneficiary.

Trusts under administration have been excluded from the financial reporting of the District. A summary of Trust balances is listed in Note 17.

(q) 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 consolidated financial statements. The District recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, debt and other liabilities. Unless otherwise noted, it is management's opinion that the District is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

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

(r) Measurement Uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of consolidated financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

(s) Change in Accounting Policy

The District has adopted the following standards from September 1, 2017: PS 3320 *Contingent Assets*, PS 3380 *Contractual Rights*, PS 2200 *Related Party Disclosures*, PS 3420 *Inter-Entity Transactions*, which are reflected in Note 6, Note 7, and Note 19.

(t) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 *Restructuring Transaction* (effective for years beginning on or after April 1, 2018)**

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.



(t) Future Accounting Changes (continued)

- **PS 3280 Asset Retirement Obligations (effective for years beginning on or after April 1, 2021)**

Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

Management is currently assessing the impact of these standards on the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$552,560 (2017 - \$621,933) for the Foundation.

Bank Indebtedness

The District has negotiated a line of credit in the amount of \$42,000,000 Canadian dollars and \$200,000 US dollars (the equivalent of \$268,000 Canadian at August 31, 2018) that bears interest at prime less 0.50%. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the District. There was no balance outstanding at August 31, 2018 or August 31, 2017.

4. ACCOUNTS RECEIVABLE

	2018			2017
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 632,376	\$ -	632,376	\$ 622,962
Alberta Education - Capital	-	-	-	52,705,742
Alberta Education - ARO	-	-	-	379,188
Alberta Education - Other	233,774	-	233,774	297,826
Alberta Human Services	326,721	-	326,721	341,408
Alberta Infrastructure	29,344,298	-	29,344,298	143,341
Other Alberta school jurisdictions	120,290	-	120,290	155,841
Alberta Health Services	17,887	-	17,887	68,269
Post-secondary institutions	-	-	-	1,484
Federal government	2,382,122	(62,119)	2,320,003	4,072,741
First Nations	59,734	-	59,734	35,532
Other	4,286,287	(1,607,885)	2,678,402	2,589,363
Total	<u>\$37,403,489</u>	<u>\$(1,670,004)</u>	<u>\$35,733,485</u>	<u>\$61,413,697</u>

5. PORTFOLIO INVESTMENT

On March 29, 2018, the District redeemed its previous GIC and reinvested the \$130,000,000 in a two year redeemable Guaranteed Investment Certificate (GIC) with an interest rate of 2.25% (2017 - 1.25%) paid monthly.

Interest earned on the investments totaled \$2,585,724 (2017 – \$1,354,167) and is included in investment income.



6. CONTRACTUAL RIGHTS

Contractual rights are rights of the District to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Contractual rights from operating leases	\$ 1,281,834	\$ 1,038,401
Contractual rights from service agreements	5,821,154	1,991,437
Contractual rights from grant agreements	4,518,351	6,409,324
Total	\$ 11,621,339	\$ 9,439,162

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases	Service Agreements	Grant Agreements
2018-2019	\$ 1,281,834	\$ 3,910,327	\$ 2,723,777
2019-2020	-	1,790,102	1,794,574
2020-2021	-	120,725	-
2021-2022	-	-	-
2022-2023	-	-	-
Thereafter	-	-	-
Total	\$ 1,281,834	\$ 5,821,154	\$ 4,518,351

7. CONTINGENT ASSETS

The District initiated legal matters where possible assets are being sought. The outcomes from these matters are at this point, indeterminate.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Alberta Education	\$ 5,787,081	\$ 4,202,675
Other Alberta school jurisdictions	10,314	-
Alberta Health Services	54,464	4,318
Post-secondary institutions	10,568	18,480
Federal government	178,317	115,508
Accrued vacation pay liability	8,459,550	7,261,861
Other salaries & benefit costs	9,555,349	10,334,032
Other trade payables and accrued liabilities	46,141,179	58,716,452
Total	<u>\$70,196,822</u>	<u>\$80,653,326</u>



9. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2017	ADD: 2017/2018 Restricted Funds Received/ Receivable	DEDUCT: 2017/2018 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2018
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal	\$ 10,534,157	\$ 29,665,644	\$ (36,082,399)	4,117,402
Classroom Improvement Fund	-	10,592,000	(10,592,000)	-
SuperNet Service	-	\$ 2,299,949	\$ (2,299,949)	-
Other-WrapAround Project	206,515	-	-	206,515
Innovation In First Nations Education	-	117,349	-	117,349
Nutrition	-	204,331	(202,058)	2,273
Other Alberta Education	14,709	19,430	(2,631)	31,508
Other Government of Alberta:				
CFEP Grant-AB Culture & Tourism	125,000	17,022	(20,357)	121,665
Infrastructure Study Grant-AB Infrastructure	130,738	-	(34,100)	96,638
Keep It Real Project - AB Health	-	21,136	-	21,136
Community Helper Program -AB Health Services	1,374	73,222	(60,290)	14,306
Way In-AB Human Services	12,500	20,000	(27,500)	5,000
Community Initiatives Program-AB Culture & Tourism	47,725	25,000	(67,713)	5,012
Community Partnership Program-AB Human Services	41,364	-	(41,364)	-
Aboriginal Youth Driver-AB Indigenous Relations	3,287	-	(3,287)	-
Other Deferred Revenue:				
School Generated Funds-Fundraising	694,769	2,004,289	(1,999,333)	699,725
School Generated Funds-Donation	1,448,772	5,663,342	(5,875,819)	1,236,295
School Fees Received in Advance of School Year	2,292,129	12,120,496	(11,638,237)	2,774,388
EPSB Foundation	621,933	347,726	(417,099)	552,560
International Students	5,789,923	6,289,349	(6,467,010)	5,612,262
Metro Continuing Education	662,975	649,083	(656,281)	655,777
NIB Trust Fund	-	75,000	(14,662)	60,338
TD Friends of The Environment	-	35,843	(11,593)	24,250
Connecting Occupational Opportunities Program	-	20,000	(8,555)	11,445
Healthy School Initiative - University of Alberta	54,025	13,500	(65,525)	2,000
Reach	1,509	170,000	(171,509)	-
Trades Bootcamp	35,663	-	(35,663)	-
Other Deferred Revenue	124,941	250,439	(212,921)	162,459
Total unexpended deferred operating revenue	\$ 22,844,008	\$ 70,694,150	\$ (77,007,855)	\$ 16,530,303
Unexpended deferred capital revenue (Schedule 2)	25,123,707	70,790,708	(86,497,463)	9,416,952
Expended deferred capital revenue (Schedule 2)	931,709,331	104,640,620	(42,756,831)	993,593,120
Total	\$ 979,677,046	\$ 246,125,478	\$ (206,262,149)	\$1,019,540,375



10. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2018	2017
Accumulating sick pay liability	4,189,300	4,526,300
Retirement allowances	5,397,800	5,157,400
Other employee future benefits	189,300	149,100
Total	<u>\$ 9,776,400</u>	<u>\$ 9,832,800</u>

11. DEBT

	2018	2017
Unsupported debenture outstanding at August 31, 2018 has an interest rate of 3.06%. The term of the debenture is 20 years with payments made semi-annually.	\$ 12,370,608	\$ 12,986,323
Total	<u>\$ 12,370,608</u>	<u>\$ 12,986,323</u>

Unsupported Debenture – Alberta Capital Finance Authority

Payments on the unsupported debenture due over the next five years and beyond are as follows:

	Principal	Interest	Total
2018-2019	\$ 634,682	\$ 373,356	\$ 1,008,038
2019-2020	\$ 654,233	\$ 353,805	1,008,038
2020-2021	\$ 674,385	\$ 333,653	1,008,038
2021-2022	\$ 695,159	\$ 312,879	1,008,038
2022-2023	\$ 716,572	\$ 291,466	1,008,038
2023 to maturity	\$ 8,995,577	\$1,588,819	10,584,396
Total	<u>\$12,370,608</u>	<u>\$3,253,978</u>	<u>\$15,624,586</u>

12. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2018	2017
Prepaid insurance	\$ 609,236	\$ 563,954
International Baccalaureate Fees	\$ 125,631	29,837
Building Lease Payments	\$ 445,249	434,801
Enterprise Systems	\$ 1,982,131	1,265,087
Professional Development	\$ 49,899	15,240
Other	\$ 154,644	60,618
Total	<u>\$ 3,366,790</u>	<u>\$ 2,369,537</u>



13. OTHER NON-FINANCIAL ASSETS

Other non-financial assets consist of the following:

	2018	2017
Inventory - Primarily for Internal Use	\$ 3,113,861	\$ 4,144,641
Total	<u>\$ 3,113,861</u>	<u>\$ 4,144,641</u>

14. ACCUMULATED SURPLUS

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. The District's accumulated surplus is summarized as follows:

	2018	2017
Unrestricted surplus	\$ -	\$ -
Operating reserves	<u>67,493,340</u>	<u>80,420,780</u>
Accumulated surplus (deficit) from operations	67,493,340	80,420,780
Investment in tangible capital assets	83,259,999	73,635,715
Capital reserves	56,837,594	63,691,231
Accumulated surplus (deficit)	<u>\$ 207,590,933</u>	<u>\$ 217,747,726</u>

Accumulated surplus from operations (ASO) includes funds of \$2,805,832 that are raised at the school level and are not available to spend at the board level. The District's adjusted surplus from operations is calculated as follows:

	2018	2017
Accumulated surplus (deficit) from operations	\$ 67,493,340	\$ 80,420,780
Deduct: School generated funds included in accumulated surplus (Note 18)	<u>2,805,832</u>	<u>2,804,233</u>
Adjusted accumulated surplus (deficit) from operations ⁽¹⁾	<u>\$ 64,687,508</u>	<u>\$ 77,616,547</u>

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



15. CONTRACTUAL OBLIGATIONS

	2018	2017
Building projects ⁽¹⁾	\$ 65,746,702	\$ 47,576,448
Building leases ⁽²⁾	17,015,395	20,237,187
Service providers ⁽³⁾	11,883,886	14,982,390
Total	\$ 94,645,983	\$ 82,796,025

- (1) Building Projects: The District is committed to capital expenditures of \$13,154,389 for expansions/modernizations at five schools. The District is also committed to further capital expenditures to complete other schools of approximately \$45,101,594. The District has also committed to an infrastructure optimization project for \$6,924,844. It is anticipated that \$58,255,983 of these costs will be fully funded by capital revenue from Alberta Infrastructure. The District is also committed to \$565,874 in Maintenance Projects that are anticipated to be fully funded by Infrastructure Maintenance Renewal funding from Alberta Education.
- (2) Building Leases: The District is committed to lease office space to provide learning spaces for various outreach and alternative academic programs.
- (3) Service Providers: As at August 31, 2018, the District has \$11,883,886 in commitments relating to service contracts. None of these are paid to other school jurisdictions.

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

	Building Projects	Building Leases	Service Providers
2018-2019	\$ 65,746,702	\$ 5,290,551	\$ 11,883,886
2019-2020	-	3,782,199	-
2020-2021	-	1,292,316	-
2021-2022	-	1,390,927	-
2022-2023	-	1,341,389	-
Thereafter	-	3,918,013	-
Total	\$ 65,746,702	\$ 17,015,395	\$ 11,883,886

16. CONTINGENT LIABILITIES

- a) The District is involved in legal matters where damages are being sought. The District has been named in 11 (2017 – seven) claims of which the outcome is not determinable. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount. Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. None of these contingent liabilities involves related parties.
- b) The District is a member of Urban Schools Insurance Consortium (USIC). Under the terms of its membership, the District could become liable for its proportionate share of any claim losses in excess of the funds held by USIC. The District's share of the pool as at August 31, 2018 was \$1,990,181 (2017 - \$1,956,515). This amount has not been recognized in the District's consolidated financial statements.



17. TRUSTS UNDER ADMINISTRATION

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

	2018	2017
Deferred salary leave plan	\$2,020,709	\$1,737,449
Scholarship trusts	662,820	649,594
International Student Health Insurance	3,000	(9,540)
International Student Homestay Fees	9,380	(26,499)
Total	<u>\$2,695,909</u>	<u>\$2,351,004</u>

18. SCHOOL GENERATED FUNDS

	2018	2017
School Generated Funds, Beginning of Year	\$ 4,947,774	\$ 5,107,985
Gross Receipts:		
Fees	13,285,958	12,714,574
Fundraising	1,969,903	2,049,407
Gifts and donations	5,663,342	5,452,687
Grants to schools	34,386	(22,921)
Other sales and services	4,592,186	5,230,135
Total gross receipts	25,545,775	25,423,882
Total Related Expenses and Uses of Funds	20,224,455	18,945,265
Total Direct Costs Including Cost of Goods Sold to Raise Funds	5,527,242	6,638,828
School Generated Funds, End of Year	<u>\$ 4,741,852</u>	<u>\$ 4,947,774</u>
Balance included in Deferred Revenue	\$ 1,936,020	\$ 2,143,541
Balance included in Accumulated Surplus (Operating Reserves)	\$ 2,805,832	\$ 2,804,233



19. RELATED PARTY TRANSACTIONS

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in division and their close family members.

All entities that are consolidated in the accounts of the Government of Alberta are related parties of the District. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Alberta Education				
Accounts receivable / Accounts payable	\$ 866,150	\$ 5,787,081		
Prepaid expenses / Deferred operating revenue	-	4,475,047		
Unexpended deferred capital revenue		9,416,952		
Expended deferred capital revenue		993,593,120	42,263,444	
Grant revenue & expenses			994,085,557	
ATRF payments made on behalf of district			57,782,881	
Other revenues & expenses			227,003	209,786
Other Alberta school jurisdictions *	120,290	10,314	1,631,306	152,610
Alberta Health Services	17,887	68,770	865,989	125,397
Alberta Health	-	21,136	-	-
Post-secondary institutions	-	13,415	392,339	158,153
Alberta Infrastructure	29,344,298	96,638	367,826	528
Human Services	326,721	5,000	892,572	-
Culture & Tourism	-	126,677	111,391	8,003
AB Foundation For the Arts	-	-	106,201	-
AB Community & Social Services	-	-	1,045,460	-
AB Energy	-	-	19,537	-
AB Historic Resources Fund	-	-	82,947	-
Other GOA ministries **	-	-	4,419	2,690
Other:				
Alberta Capital Financing Authority		12,370,608		388,380
Other Related Parties (Alberta Treasury Branch)	-	-	400	-
TOTAL 2017/2018	<u>\$ 30,675,346</u>	<u>\$ 1,025,984,758</u>	<u>\$ 1,099,879,272</u>	<u>\$ 1,045,547</u>
TOTAL 2016/2017	<u>\$ 54,716,061</u>	<u>\$ 985,217,756</u>	<u>\$ 1,036,850,192</u>	<u>\$ 1,295,702</u>

* Other Alberta school jurisdictions revenue differs from revenue disclosed on the Statement of Operations by \$20,065 in Leasing Revenue.□

** Total Government of Alberta revenue differs from revenue disclosed on the Statement of Operations by \$6,400 of Miscellaneous Revenue.

The District and its employees paid or collected certain amounts set by regulation or local policy. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this schedule.

The District occupies space provided by related parties in exchange for a nominal sum. The District also leases space to related parties for a nominal sum.



20. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 20, 2017. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2017-2018 presentation.