

DATE: November 28, 2017

TO: Board of Trustees

FROM: Darrel Robertson, Superintendent of Schools

SUBJECT: 2016-2017 Audited Financial Statements

ORIGINATOR: Todd Burnstad, Chief Financial Officer

RESOURCE STAFF: Vanessa Crowell-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 24, 2017, 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 2016-2017 audited financial statements, notes to the financial statements and unaudited schedules be approved.

NEXT STEPS

Once approved, the 2016-2017 Audited Financial Statements will be posted on the District website and also forwarded to the Minister of Education by November 30, 2017.

ATTACHMENTS and APPENDICES

ATTACHMENT I Audited Financial Statements for year ended August 31, 2017

TB:ja

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**
[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

(780) 429-8000 todd.burnstad@epsb.ca

Telephone & Fax 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

Ms. Michelle Draper

Name

Signature

SUPERINTENDENT

Mr. Darrel Robertson

Name

Signature

SECRETARY-TREASURER OR TREASURER

Mr. Todd Burnstad

Name

Signature

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Independent Auditors report to be given as a separate report to Audit Committee. It will be inserted here for reporting to Alberta Education.

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

		2017	2016 Restated (Note 22)
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 85,017,164	\$ 286,929,625
Accounts receivable (net after allowances)	(Note 4)	\$ 61,413,697	\$ 22,652,650
Portfolio investments	(Schedule 5; Note 5)	\$ 130,000,000	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 276,430,861	\$ 309,582,275
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 80,653,326	\$ 76,488,211
Deferred revenue	(Note 7; 22)	\$ 979,677,046	\$ 777,534,974
Employee future benefits liabilities	(Note 8)	\$ 9,832,800	\$ 9,902,700
Liability for contaminated sites		\$ -	\$ -
Other liabilities	(Note 9)	\$ 379,188	\$ 1,060,658
Debt	(Note 10)		
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ 12,986,323	\$ 13,583,639
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 1,083,528,683	\$ 878,570,182
Net debt		\$ (807,097,822)	\$ (568,987,907)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 837,590	\$ 837,590
Construction in progress		\$ 296,585,598	\$ 107,652,311
Buildings	\$ 1,325,013,436		
Less: Accumulated amortization	\$ (647,213,822)	\$ 677,799,614	\$ 644,356,743
Equipment	\$ 135,441,734		
Less: Accumulated amortization	\$ (110,301,436)	\$ 25,140,298	\$ 17,447,051
Vehicles	\$ 3,487,829		
Less: Accumulated amortization	\$ (2,453,604)	\$ 1,034,225	\$ 862,485
Computer Equipment	\$ 48,618,838		
Less: Accumulated amortization	\$ (31,684,793)	\$ 16,934,045	\$ 12,739,324
Total tangible capital assets		\$ 1,018,331,370	\$ 783,895,504
Prepaid expenses	(Note 11)	\$ 2,369,537	\$ 1,789,966
Other non-financial assets	(Note 12)	\$ 4,144,641	\$ 2,768,039
Total non-financial assets		\$ 1,024,845,548	\$ 788,453,509
Accumulated surplus	(Schedule 1; Note 13)	\$ 217,747,726	\$ 219,465,602
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 217,747,726	\$ 219,465,602
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 217,747,726	\$ 219,465,602
Contractual obligations	(Note 14)		
Contingent liabilities	(Note 15)		

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

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

	Budget 2017	Actual 2017	Actual 2016
REVENUES			
Alberta Education	\$ 1,015,480,550	\$ 1,030,475,577	\$ 999,312,051
Other - Government of Alberta	\$ 3,073,500	\$ 3,489,627	\$ 4,000,245
Federal Government and First Nations	\$ 2,209,000	\$ 2,903,847	\$ 2,362,433
Other Alberta school authorities Reclassified	\$ 819,100	\$ 729,851	\$ 763,474
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees Reclassified (Schedule 8)	\$ 32,109,900	\$ 31,601,568	\$ 32,293,703
Other sales and services Reclassified	\$ 21,248,800	\$ 22,323,128	\$ 22,494,314
Investment income	\$ 3,200,000	\$ 2,757,590	\$ 3,105,962
Gifts and donations	\$ 5,425,900	\$ 8,708,246	\$ 7,969,921
Rental of facilities	\$ 4,030,100	\$ 4,075,857	\$ 4,148,259
Fundraising	\$ 1,888,100	\$ 1,976,564	\$ 1,998,332
Gains on disposal of capital assets	\$ -	\$ -	\$ 1
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 1,089,484,950	\$ 1,109,041,855	\$ 1,078,448,695
EXPENSES			
Instruction - ECS	\$ 66,712,002	\$ 76,891,297	\$ 73,447,888
Instruction - Grades 1 - 12	\$ 811,583,714	\$ 772,196,420	\$ 735,375,646
Plant operations and maintenance	\$ 148,310,642	\$ 164,042,977	\$ 144,973,812
Transportation Reclassified	\$ 42,180,446	\$ 42,787,870	\$ 38,421,230
Board & system administration	\$ 33,947,057	\$ 35,025,734	\$ 33,628,317
External services	\$ 19,263,732	\$ 19,815,433	\$ 19,198,030
Total expenses	\$ 1,121,997,593	\$ 1,110,759,731	\$ 1,045,044,923
Operating surplus (deficit)	\$ (32,512,643)	\$ (1,717,876)	\$ 33,403,772

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

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

	2017	2016
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (1,717,876)	\$ 33,403,772
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 43,507,102	\$ 43,107,850
Gains on disposal of tangible capital assets	\$ -	\$ (1)
Losses on disposal of tangible capital assets	\$ 40,116	\$ -
Expended deferred capital revenue recognition	\$ (33,519,270)	\$ (33,061,120)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (38,761,047)	\$ (15,355,702)
Prepays	\$ (579,571)	\$ 744,959
Other financial assets	\$ -	\$ -
Non-financial assets	\$ (1,376,602)	\$ 1,189,742
Accounts payable, accrued and other liabilities	\$ 3,483,645	\$ 24,357,037
Deferred revenue (excluding EDCR)	\$ 166,995,541	\$ 87,544,046
Employee future benefit liabilities	\$ (69,900)	\$ (161,830)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 138,002,138	\$ 141,768,753
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (189,094,934)	\$ (88,529,137)
Equipment	\$ (11,676,792)	\$ (1,239,869)
Vehicles	\$ (408,413)	\$ (61,839)
Computer equipment	\$ (8,137,144)	\$ (3,493,123)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 1
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (209,317,283)	\$ (93,323,967)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (130,000,000)	\$ -
Dispositions of portfolio investments	\$ -	\$ -
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	\$ (597,316)	\$ (579,467)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (597,316)	\$ (579,467)
Increase (decrease) in cash and cash equivalents	\$ (201,912,461)	\$ 47,865,319
Cash and cash equivalents, at beginning of year	\$ 286,929,625	\$ 239,064,306
Cash and cash equivalents, at end of year	\$ 85,017,164	\$ 286,929,625

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

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

	2017	2016 (Restated)
Operating surplus (deficit)	\$ (1,717,876)	\$ 33,403,772
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (277,983,084)	\$ (154,811,556)
Amortization of tangible capital assets	\$ 43,507,102	\$ 43,107,850
Net carrying value of tangible capital assets disposed of	\$ 40,116	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (234,435,866)	\$ (111,703,706)
Changes in:		
Prepaid expenses	\$ (579,571)	\$ 744,959
Other non-financial assets	\$ (1,376,602)	\$ 1,189,742
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Decrease (increase) in net debt	\$ (238,109,915)	\$ (76,365,233)
Net debt at beginning of year	\$ (568,987,907)	\$ (492,622,674)
Net debt at end of year	\$ (807,097,822)	\$ (568,987,907)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2017 (in dollars)

	2017	2016
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Prior Period Adj. (Explain) - Linked to Sch. 1	\$ -	\$ -
Prior Period Adjustment (Explain)	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
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, 2017 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2016	\$ 219,465,602	\$ -	\$ 219,465,602	\$ 62,904,234	\$ -	\$ 0	\$ 99,497,837	\$ 57,063,531
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 219,465,602	\$ -	\$ 219,465,602	\$ 62,904,234	\$ -	\$ 0	\$ 99,497,837	\$ 57,063,531
Operating surplus (deficit)	\$ (1,717,876)		\$ (1,717,876)			\$ (1,717,876)		
Board funded tangible capital asset additions				\$ 20,162,113		\$ (11,730,250)	\$ -	\$ (8,431,863)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (40,116)		\$ 40,116		\$ -
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	\$ -			\$ (43,507,102)		\$ 43,507,102		
Capital revenue recognized	\$ -			\$ 33,519,270		\$ (33,519,270)		
Debt principal repayments (unsupported)	\$ -			\$ 597,316		\$ (597,316)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 19,077,057	\$ (19,077,057)	
Net transfers to capital reserves	\$ -					\$ (15,059,563)		\$ 15,059,563
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 217,747,726	\$ -	\$ 217,747,726	\$ 73,635,715	\$ -	\$ 0	\$ 80,420,780	\$ 63,691,231

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2017 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2016	\$ 99,497,837	\$ 57,063,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 99,497,837	\$ 57,063,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (8,431,863)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ (19,077,057)		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ 15,059,563		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 80,420,780	\$ 63,691,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2017 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2016	\$ 43,627,984	\$ -	\$ 2,348,970	\$ 917,616	\$ 654,665,434
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ 52,984,693
Adjusted balance, August 31, 2016	\$ 43,627,984	\$ -	\$ 2,348,970	\$ 917,616	\$ 707,650,127
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 99,804,002				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 13,999,257				
Other sources: Donations	\$ -			\$ 320,719	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 52,705,742				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ 312,090	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 68,665,801
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (188,912,673)	\$ -	\$ -	\$ -	\$ 188,912,673
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 33,519,270
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ 21,224,312	\$ -	\$ 2,661,060	\$ 1,238,335	\$ 931,709,331
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 25,123,707	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only. Please specify department if funds received from a source other than Alberta Education.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved capital assets per 10(2)(a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2017 (in dollars)

REVENUES	2017							2016
	Instruction		Plant Operations and	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12	Maintenance					
(1) Alberta Education	\$ 74,727,508	\$ 766,579,984	\$ 118,054,786	\$ 28,189,151	\$ 38,068,981	\$ 4,855,167	\$ 1,030,475,577	\$ 999,312,051
(2) Other - Government of Alberta	\$ -	\$ 2,424,867	\$ 116,616	\$ -	\$ 165,549	\$ 782,595	\$ 3,489,627	\$ 4,000,245
(3) Federal Government and First Nations	\$ -	\$ 633,086	\$ 37,831	\$ -	\$ 399,923	\$ 1,833,007	\$ 2,903,847	\$ 2,362,433
(4) Other Alberta school authorities	\$ -	\$ 570,121	\$ 153,921	\$ 5,809	\$ -	\$ -	\$ 729,851	\$ 763,474
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 551,986	\$ 19,214,865	\$ -	\$ 11,429,259	\$ -	\$ 405,458	\$ 31,601,568	\$ 32,293,703
(9) Other sales and services	\$ 194,037	\$ 7,020,891	\$ 1,336,277	\$ 3,588	\$ 544,498	\$ 13,223,837	\$ 22,323,128	\$ 22,494,314
(10) Investment income	\$ -	\$ 2,302,260	\$ 455,330	\$ -	\$ -	\$ -	\$ 2,757,590	\$ 3,105,962
(11) Gifts and donations	\$ -	\$ 8,593,635	\$ 9,262	\$ -	\$ 97,254	\$ 8,095	\$ 8,708,246	\$ 7,969,921
(12) Rental of facilities	\$ -	\$ 1,573,285	\$ 2,369,212	\$ -	\$ 18,524	\$ 114,836	\$ 4,075,857	\$ 4,148,259
(13) Fundraising	\$ -	\$ 1,976,564	\$ -	\$ -	\$ -	\$ -	\$ 1,976,564	\$ 1,998,332
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 75,473,531	\$ 810,889,558	\$ 122,533,235	\$ 39,627,807	\$ 39,294,729	\$ 21,222,995	\$ 1,109,041,855	\$ 1,078,448,695
EXPENSES								
(17) Certificated salaries	\$ 19,511,374	\$ 461,384,323	\$ -	\$ -	\$ 4,668,529	\$ 4,858,174	\$ 490,422,400	\$ 471,541,317
(18) Certificated benefits	\$ 4,652,508	\$ 106,187,189	\$ -	\$ -	\$ 1,085,097	\$ 1,017,503	\$ 112,942,297	\$ 112,637,439
(19) Non-certificated salaries and wages	\$ 38,062,813	\$ 89,827,820	\$ 60,854,596	\$ 1,163,152	\$ 16,286,592	\$ 4,670,214	\$ 210,865,187	\$ 190,984,966
(20) Non-certificated benefits	\$ 10,752,589	\$ 22,611,381	\$ 15,852,882	\$ 296,526	\$ 4,121,599	\$ 913,892	\$ 54,548,869	\$ 52,183,847
(21) SUB - TOTAL	\$ 72,979,284	\$ 680,010,713	\$ 76,707,478	\$ 1,459,678	\$ 26,161,817	\$ 11,459,783	\$ 868,778,753	\$ 827,347,569
(22) Services, contracts and supplies	\$ 3,867,844	\$ 84,313,689	\$ 52,723,536	\$ 41,324,504	\$ 7,540,015	\$ 8,041,283	\$ 197,810,871	\$ 173,785,771
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 33,519,270	\$ -	\$ -	\$ -	\$ 33,519,270	\$ 33,061,120
(24) Amortization of unsupported tangible capital assets	\$ 43,864	\$ 7,773,745	\$ 592,348	\$ -	\$ 1,314,692	\$ 263,183	\$ 9,987,832	\$ 10,046,730
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ 402,435	\$ -	\$ -	\$ -	\$ 402,435	\$ 420,532
(27) Other interest and finance charges	\$ 305	\$ 98,273	\$ 57,794	\$ 3,688	\$ 9,210	\$ 51,184	\$ 220,454	\$ 383,201
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ 40,116	\$ -	\$ -	\$ -	\$ 40,116	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 76,891,297	\$ 772,196,420	\$ 164,042,977	\$ 42,787,870	\$ 35,025,734	\$ 19,815,433	\$ 1,110,759,731	\$ 1,045,044,923
(31) OPERATING SURPLUS (DEFICIT)	\$ (1,417,766)	\$ 38,693,138	\$ (41,509,742)	\$ (3,160,063)	\$ 4,268,995	\$ 1,407,562	\$ (1,717,876)	\$ 33,403,772

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2017 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 34,032,004	\$ 19,756,226	\$ -	\$ -	\$ 7,066,366			\$ 60,854,596	\$ 46,388,699
Uncertificated benefits	\$ 8,264,510	\$ 5,544,798	\$ -	\$ -	\$ 2,043,574			\$ 15,852,882	\$ 15,535,667
Sub-total Remuneration	\$ 42,296,514	\$ 25,301,024	\$ -	\$ -	\$ 9,109,940			\$ 76,707,478	\$ 61,924,366
Supplies and services	\$ 2,550,045	\$ 7,945,119	\$ 1,164,837	\$ 10,464,152	\$ 2,261,751			\$ 24,385,904	\$ 21,306,993
Electricity			\$ 8,315,071					\$ 8,315,071	\$ 8,239,643
Natural gas/heating fuel			\$ 6,984,092					\$ 6,984,092	\$ 5,290,046
Sewer and water			\$ 2,010,981					\$ 2,010,981	\$ 2,119,615
Telecommunications			\$ 565,556					\$ 565,556	\$ 684,572
Insurance					\$ 2,324,278			\$ 2,324,278	\$ 2,170,593
ASAP maintenance & renewal payments							\$ 3,041,041	\$ 3,041,041	\$ 3,734,943
Amortization of tangible capital assets									
Supported							\$ 33,519,270	\$ 33,519,270	\$ 33,061,120
Unsupported						\$ 592,348		\$ 592,348	\$ 746,001
Total Amortization						\$ 592,348	\$ 33,519,270	\$ 34,111,618	\$ 33,807,121
Interest on capital debt									
Supported							\$ -	\$ -	\$ -
Unsupported						\$ 402,435		\$ 402,435	\$ 420,532
Lease payments for facilities				\$ 5,096,613				\$ 5,096,613	\$ 5,084,823
Other interest charges						\$ 57,794		\$ 57,794	\$ 190,565
Losses on disposal of capital assets						\$ 40,116		\$ 40,116	\$ -
TOTAL EXPENSES	\$ 44,846,559	\$ 33,246,143	\$ 19,040,537	\$ 15,560,765	\$ 13,695,969	\$ 1,092,693	\$ 36,560,311	\$ 164,042,977	\$ 144,973,812
SQUARE METRES									
School buildings								1,329,593.0	1,078,604.0
Non school buildings								99,301.0	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, 2017 (in dollars)**

Cash & Cash Equivalents	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 85,017,164	\$ 85,017,164	\$ 286,929,625
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 85,017,164	\$ 85,017,164	\$ 286,929,625

See Note 3 for additional detail.

Portfolio Investments	2017				2016
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	1.25%	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	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	1.25%	\$ 130,000,000	\$ 130,000,000	\$ 130,000,000	\$ -

See Note 5 for additional detail.

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

	2017	2016
Under 1 year	0.0%	0.0%
1 to 5 years	100.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	0.0%

SCHEDULE 6

School Jurisdiction Code: 3020

**SCHEDULE OF CAPITAL ASSETS
for the Year Ended August 31, 2017 (in dollars)**

<u>Tangible Capital Assets</u>	2017							2016
	Land	Construction In Progress	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total (Restated)
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ 837,590	\$ 107,652,311	\$ 1,203,201,295	\$ 124,237,062	\$ 3,079,416	\$ 40,634,460	\$ 1,479,642,134	\$ 1,428,354,285
Prior period adjustments	-	-	52,984,693	-	-	-	52,984,693	52,984,693
Additions	-	198,692,304	68,827,448	4,961,262	408,413	5,093,657	277,983,084	101,826,863
Transfers in (out)	-	(9,759,017)	-	6,715,530	-	3,043,487	-	-
Less disposals including write-offs	-	-	-	(472,120)	-	(152,766)	(624,886)	(50,539,014)
Historical cost, August 31, 2017	\$ 837,590	\$ 296,585,598	\$ 1,325,013,436	\$ 135,441,734	\$ 3,487,829	\$ 48,618,838	\$ 1,809,985,025	\$ 1,532,626,827
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 611,829,245	\$ 106,790,011	\$ 2,216,931	\$ 27,895,136	\$ 748,731,323	\$ 756,162,487
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	35,384,577	3,980,396	236,673	3,905,456	43,507,102	43,107,850
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(468,971)	-	(115,799)	(584,770)	(50,539,014)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 647,213,822	\$ 110,301,436	\$ 2,453,604	\$ 31,684,793	\$ 791,653,655	\$ 748,731,323
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	
Net Book Value at August 31, 2016	\$ 837,590	\$ 107,652,311	\$ 644,356,743	\$ 17,447,051	\$ 862,485	\$ 12,739,324		\$ 783,895,504

	2017	2016
Total cost of assets under capital lease	\$ -	\$ -
Total amortization of assets under capital lease	\$ -	\$ -

SCHEDULE 7

School Jurisdiction Code: 3020

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits (1)	Expenses
Chair: JANZ, MICHAEL ¹	0.50	\$20,084	\$1,530	\$1,682			\$0	\$4,783
Chair: DRAPER, MICHELLE ²	0.50	\$21,487	\$3,785	\$1,734			\$4,870	\$4,271
ADAMS, SHERRY	1.00	\$33,076	\$6,443	\$3,416			\$4,772	\$2,101
CHUBB, ORVILLE	1.00	\$36,428	\$6,514	\$3,416			\$4,904	\$62
DRAPER, MICHELLE	0.50	\$19,199	\$2,896	\$1,682			\$0	\$2,311
GIBSON, KEN	1.00	\$30,663	\$6,324	\$3,416			\$4,669	\$4,392
IP, NATHAN	1.00	\$30,663	\$3,594	\$3,416			\$4,679	\$2,060
JANZ, MICHAEL	0.50	\$16,407	\$3,421	\$1,734			\$8,000	\$1,654
JOHNER, CHERYL	1.00	\$30,663	\$6,320	\$3,416			\$8,283	\$296
MARTIN, RAY	1.00	\$33,212	\$762	\$3,416			\$4,935	\$1,941
STIRLING, BRIDGET	1.00	\$30,663	\$6,576	\$3,416			\$2,337	\$2,858
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
Subtotal	9.00	\$302,545	\$48,165	\$30,744			\$47,449	\$26,729
ROBERTSON, DARREL, Superintendent	1.00	\$252,889	\$66,273	\$15,058	\$0	\$0	\$37,062	\$1,359
BURNSTAND, TODD, Treasurer	1.00	\$180,438	\$35,944	\$3,377	\$0	\$0	\$15,487	\$3,632
MILLS, KAREN, Board Secretary ³	0.76	\$96,170	\$22,524	\$0	\$0	\$0	\$12,271	\$0
STODDARD, SANDRA, Board Secretary ⁴	0.24	\$48,479	\$3,692	\$1,198	\$0	\$0	\$0	\$1,064
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	4,887.22	\$487,857,008	\$112,139,211	\$716,865	\$0	\$1,223,225	\$1,003,737	
Non-certificated - other	3,317.14	\$203,923,829	\$50,938,891	\$3,469,224	\$0	\$141,141	\$6,145,857	
TOTALS	8,216.36	\$692,661,358	\$163,254,700	\$4,236,466	\$0	\$1,364,366	\$7,261,863	\$32,784

(1) Other Accrued Unpaid Benefits Include: Accrued untaken vacation liability and trustees' severances

¹ M Janz - Resigned as Board Chair effective February 28, 2017

² M Draper - Appointed as Board Chair effective March 1, 2017

³ K Mills - Appointed as Board Secretary effective November 28, 2017

⁴ S Stoddard - Replaced by K Mills as Board Secretary effective November 28, 2017

SCHEDULE 8

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

	Budgeted Fee Revenues 2016/2017	Actual Fees Collected 2016/2017	Unexpended Balance at September 1, 2016*	Actual Fee Expenditures 2016/2017	Unexpended Balance at August 31, 2017*
Transportation Fees	\$12,201,200	\$11,429,169	\$0	\$40,751,721	\$0
Basic Instruction Fees					
Basic instruction supplies	\$1,659,600	\$2,407,492	\$0	\$1,348,738	\$1,058,754
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$169,220	\$34,370	\$143,369	\$60,221
Fees for optional courses	\$2,900,953	\$3,297,268	\$581,254	\$3,309,033	\$569,489
Activity fees	\$6,935,506	\$6,066,683	\$221,443	\$6,097,519	\$190,607
Early childhood services	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (Optional material fees)	\$439,142	\$0	\$0	\$0	\$0
Other Enhancement fees (Metro - Cool School, Sum)	\$0	\$831,614	\$0	\$831,614	\$0
Non-Curricular fees					
Extracurricular fees	\$3,341,876	\$2,767,118	\$464,475	\$2,810,620	\$420,973
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$4,200,300	\$4,084,489	\$0	\$4,918,569	\$0
Non-curricular goods and services	\$431,323	\$548,515	\$108,711	\$568,254	\$88,972
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$32,109,900	\$31,601,568	\$1,410,253	\$60,779,437	\$2,389,016

*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 2017	Actual 2016
Cafeteria sales, hot lunch, milk programs	\$1,375,095	\$916,022
Special events, graduation, tickets	\$1,755,257	\$1,780,736
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$1,139,661	\$1,471,950
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	\$229,067	\$292,481
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$4,499,081	\$4,461,189

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING
for the Year Ended August 31, 2017 (in dollars)

	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	8,389	1,761	17,814		
Federally Funded Students	58				
REVENUES					
Alberta Education allocated funding	\$ 9,509,034	\$ 39,516,296	\$ 21,259,404	\$ 69,230,206	\$ -
Other funding allocated by the board to the program	\$ -		\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 9,509,034	\$ 39,516,296	\$ 21,259,404	\$ 69,230,206	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 2,781,034	\$ 6,959,849	\$ 1,414,037	\$ 19,503,647	
Instructional non-certificated salaries & benefits	\$ 3,678,142	\$ 28,459,796	\$ 19,295,892	\$ 54,349,738	
SUB TOTAL	\$ 6,459,176	\$ 35,419,645	\$ 20,709,929	\$ 73,853,385	
Supplies, contracts and services	\$ 2,646,118	\$ 4,472,744	\$ 3,557,075	\$ 11,537,874	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ 1,112,351	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Transportation	\$ 999,448	\$ 741,211	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 11,217,093	\$ 40,633,600	\$ 24,267,004	\$ 85,391,259	
NET FUNDING SURPLUS (SHORTFALL)	\$ (1,708,059)	\$ (1,117,304)	\$ (3,007,600)	\$ (16,161,053)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2017 (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	\$ 455,071	\$ 109,685	\$ -	\$ 564,756	\$ -	\$ -	\$ -	\$ 564,756
Educational administration (excluding superintendent)	\$ 1,960,662	\$ 12,544	\$ -	\$ 1,973,206	\$ 1,020,525	\$ 171,930	\$ -	\$ 3,165,661
Business administration	\$ 4,593,057	\$ 1,424,135	\$ -	\$ 6,017,192	\$ 1,487,250	\$ 1,734,141	\$ -	\$ 9,238,583
Board governance (Board of Trustees)	\$ 1,972,099	\$ 1,543,622	\$ -	\$ 3,515,721	\$ -	\$ -	\$ -	\$ 3,515,721
Information technology	\$ 2,318,235	\$ 643,503	\$ -	\$ 2,961,738	\$ 11,164,980	\$ 3,734,782	\$ 155,747	\$ 18,017,247
Human resources	\$ 8,022,836	\$ 862,311	\$ -	\$ 8,885,147	\$ 4,123,309	\$ 198,116	\$ -	\$ 13,206,572
Central purchasing, communications, marketing	\$ 3,306,046	\$ 676,602	\$ 2,840	\$ 3,985,488	\$ 2,558,097	\$ 1,322,126	\$ 145,426	\$ 8,011,137
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration - insurance			\$ 340,106	\$ 340,106			\$ 2,786,822	\$ 3,126,928
Administration - amortization			\$ 1,314,692	\$ 1,314,692			\$ 263,986	\$ 1,578,678
Administration - other (admin building, interest)			\$ 254,990	\$ 254,990			\$ 109,985	\$ 364,975
Building Operations (Insurance)/Facilities Services	\$ 1,091,043	\$ 1,475,031	\$ -	\$ 2,566,074	\$ 1,164,598	\$ 2,439,017	\$ 211,142	\$ 6,380,831
District Support Services/Student Information	\$ 1,651,473	\$ 117,209	\$ -	\$ 1,768,682	\$ 895,695	\$ 54,637	\$ -	\$ 2,719,014
Archives&Museums/EPSP Foundation	\$ 791,295	\$ 84,112	\$ 2,535	\$ 877,942	\$ 135,848	\$ 5,432	\$ 365	\$ 1,019,587
TOTAL EXPENSES	\$ 26,161,817	\$ 6,948,754	\$ 1,915,163	\$ 35,025,734	\$ 22,550,302	\$ 9,660,181	\$ 3,673,473	\$ 70,909,690

School Jurisdiction Code: **3020**

SCHEDULE 11

Average Estimated # of Students Served Per Meal: **434.00**

**UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES
for the Year Ending August 31, 2017**

	Budget 2017	2017
REVENUES		
Alberta Education	\$ 111,930	\$ 111,930
TOTAL REVENUES	\$ 111,930	\$ 111,930
EXPENSES		
Salaries & Benefits	FTE	
Project Coordinator	\$ -	\$ -
Cook	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Food Supplies	\$ -	\$ -
Office Supplies	\$ -	\$ -
Small Kitchenwares (e.g. toaster, measuring cups/spoons, bowls, cutting boards)	\$ -	\$ -
Non-Capitalized Assets		
Microwave	\$ -	\$ -
Refridgerator	\$ -	\$ -
Stove	\$ -	\$ -
Tables	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Training (e.g. workshops, training materials)	\$ -	\$ -
Contracted Services (please describe)	\$ -	\$ 93,246
Other Expenses		
Kitchen Aprons	\$ -	\$ -
Food Delivery	\$ -	\$ -
Kitchen upgrade: Norwood (bring to Capital Health Standards)	\$ -	\$ 18,715
Travel expenses for meetings	\$ -	\$ 463
TOTAL EXPENSES	\$ -	\$ 112,424
ANNUAL SURPLUS/DEFICIT	\$ 111,930	\$ (494)



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 pursuant to the provisions 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 Canadian 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):

- Work-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) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *CPA Canadian 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.

(g) 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.

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 accrued 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 market yield on long-term high quality Canadian corporate bonds at the valuation date.



(h) 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. The District has included its estimated asset retirement obligation of \$379,188 (2016 - \$1,060,658) in the Statement of Financial Position as Other Liabilities, representing two (2016 - two) obligations.

The District has determined that it has a conditional asset retirement obligation relating to other 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.

(i) 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.

(j) 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.

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.

(k) 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, 2017, the amount contributed by the Government was \$56,097,698 (2016 - \$56,333,899).



(k) Pensions (continued):

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 \$20,080,599 for the year ended August 31, 2017 (2016 - \$18,363,309). At December 31, 2016, the Local Authorities Pension Plan reported a deficiency of \$637,357,000 (2015 - \$923,416,000).

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.

(l) 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.

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.

(m) 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 16.

(n) 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.



(n) Financial Instruments (continued):

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.

(o) 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.

(p) Future Accounting Changes

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

- **PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective years beginning on or after April 1, 2017)**

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- **PS 3320 Contingent Assets and PS 3380 Contractual Rights (effective years beginning on or after April 1, 2017)**

PS 3320 defines and establishes disclosure standards on contingent assets; and PS 3380 defines and establishes disclosure standards on contractual rights.

- **PS 3430 Restructuring Transactions (effective 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.

- **PS 3450 Financial Instruments (effective years beginning on or after April 1, 2019)**

Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in consolidated financial statements; and how to account for and report portfolio investments.

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

The District has elected to early adopt PS 3210 Assets effective September 1, 2016, with retroactive application with restatement. The effects of this change in accounting policy are outlined in Note 22.



3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$621,933 (2016 - \$714,518) for the Foundation.

Bank Indebtedness

The District has negotiated a line of credit in the amount of \$42 million Canadian dollars and \$200 thousand US dollars (the equivalent of \$257 thousand Canadian at August 31, 2017) 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, 2017 or August 31, 2016.

4. ACCOUNTS RECEIVABLE

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 622,962	\$ -	\$ 622,962	\$ 120,250
Alberta Education - Capital	52,705,742	-	52,705,742	16,129,308
Alberta Education - ARO	379,188	-	379,188	1,060,658
Alberta Education - Other	297,826	-	297,826	413,731
Alberta Labour	-	-	-	40,482
Alberta Human Services	341,408	-	341,408	650
Alberta Infrastructure	143,341	-	143,341	27,005
Other Government of Alberta Ministries	-	-	-	2,238
Other Alberta school jurisdictions	155,841	-	155,841	256,234
Alberta Health Services	68,269	-	68,269	120,313
Post-secondary institutions	1,484	-	1,484	18,227
Federal government	4,095,430	(22,689)	4,072,741	2,268,349
First Nations	35,532	-	35,532	36,801
Other	3,710,685	(1,121,322)	2,589,363	2,158,404
Total	\$ 62,557,708	\$ (1,144,011)	\$ 61,413,697	\$ 22,652,650

5. PORTFOLIO INVESTMENT

On October 28, 2016, the District invested \$130,000,000 in a five year redeemable Guaranteed Investment Certificate (GIC) with a guaranteed redemption rate based on the length of time invested. As of August 31, 2017 the interest rate was 1.25%. The interest rate is 2% at maturity.

Interest earned on the GIC totaled \$1,354,167 (2016 – \$ nil) and is included in investment income.

	Average Effective (Market) Yield	2017			2016
		Cost	Fair Value	Balance	Balance
Guaranteed interest certificates	1.25%	\$ 130,000,000	\$ 130,000,000	\$ 130,000,000	\$ -
Total portfolio investments	1.25%	\$ 130,000,000	\$ 130,000,000	\$ 130,000,000	\$ -



6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Alberta Education	\$ 4,202,675	\$ 3,369,282
Alberta Health Services	4,318	-
Post-secondary institutions	18,480	2,443
Alberta Local Authorities Pension Plan Corp	-	853,277
Federal government	115,508	9,619,601
Accrued vacation pay liability	7,261,861	6,555,271
Other salaries & benefit costs	10,334,032	13,259,063
Other trade payables and accrued liabilities	58,716,452	42,829,274
Total	\$ 80,653,326	\$ 76,488,211

7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	(Restated) DEFERRED REVENUE as at Aug. 31, 2016	ADD: 2016/2017 Restricted Funds Received/ Receivable	DEDUCT: 2016/2017 Restricted Funds Expended (Paid / Payable)	DEFERRED REVENUE as at Aug. 31, 2017
Unexpended deferred operating revenue				
Alberta Education:				
Infrastructure Maintenance Renewal	\$ 9,366,861	\$ 25,630,704	\$ (24,463,408)	10,534,157
SuperNet Service	-	\$ 2,313,446	\$ (2,313,446)	-
Other-WrapAround Project	206,515	-	-	206,515
Nutrition	-	111,930	(111,930)	-
Regional Collaborative Service Delivery	-	3,916,266	(3,916,266)	-
Alberta Virtual Indigenous Knowledge & Awareness	-	50,000	(50,000)	-
Other Alberta Education	54,658	25,460	(65,409)	14,709
Other Government of Alberta:				
Community Helper Program -AB Health Services	1,374	56,941	(56,941)	1,374
Community Partnership Program-AB Human Services	21,400	55,000	(35,036)	41,364
Way In-AB Human Services	-	40,000	(27,500)	12,500
Infrastructure Study Grant-AB Infrastructure	252,815	-	(122,077)	130,738
McKay Avenue Roof Repair-AB Culture & Tourism	48,223	-	(48,223)	-
Aboriginal Youth Driver-AB Indigenous Relations	3,287	-	-	3,287
Community Initiatives Program-AB Culture & Tourism	7,019	41,206	(500)	47,725
CFEP Grant-AB Culture & Tourism	-	125,000	-	125,000
Other Deferred Revenue:				
School Generated Funds-Fundraising	676,850	2,026,485	(2,008,566)	694,769
School Generated Funds-Donation	1,497,601	5,452,687	(5,501,516)	1,448,772
School Fees Received in Advance of School Year	3,396,216	14,823,188	(15,927,275)	2,292,129
EPSB Foundation	714,518	383,828	(476,413)	621,933
International Students	5,766,786	16,126,698	(16,103,561)	5,789,923
McKay Avenue Roof Repair Donations	96,823	540,436	(637,259)	-
Metro Continuing Education	641,832	725,213	(704,070)	662,975
Urban Partnership	-	112,500	(112,500)	-
Healthy School Initiative - University of Alberta	5,145	105,208	(56,328)	54,025
Peer2Peer - University of Alberta	1,528	-	-	1,528
Reach	-	170,000	(168,491)	1,509
Trades Bootcamp	185,982	-	(150,319)	35,663
Other Deferred Revenue	44,844	117,829	(39,260)	123,413
Total unexpended deferred operating revenue	\$22,990,277	\$72,950,025	(\$73,096,294)	\$22,844,008
Unexpended deferred capital revenue (Schedule 2)	46,894,570	167,141,810	(188,912,673)	25,123,707
Expended deferred capital revenue (Schedule 2)	707,650,127	257,578,474	(33,519,270)	931,709,331
Total	\$ 777,534,974	\$ 497,670,309	\$ (295,528,237)	\$ 979,677,046



8. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2017	2016
Accumulating sick pay liability	4,526,300	4,898,800
Retirement allowances	5,157,400	4,880,800
Other employee future benefits	149,100	123,100
Total	<u>\$ 9,832,800</u>	<u>\$ 9,902,700</u>

9. OTHER LIABILITIES

Other liabilities consist of the following:

	2017	2016
Asset retirement obligation	\$ 379,188	\$ 1,060,658
Total	<u>\$ 379,188</u>	<u>\$ 1,060,658</u>

The following table summarizes the changes in asset retirement obligations (ARO):

	2017	2016
Balance beginning of year	\$ 1,060,658	\$ 2,649,588
Additional obligations recognized	-	-
Obligations discharged	(681,470)	(1,588,930)
Total	<u>\$ 379,188</u>	<u>\$ 1,060,658</u>

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 has recorded two ARO's totaling \$379,188 (2016 - \$1,060,658) representing the estimated cost to remove asbestos from schools. The school board has not recorded an ARO for other buildings for asbestos removal as the amount of asbestos is not known.

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 to determine if there is a liability for contaminated sites and none have been noted.



10. DEBT

	2017	2016
Unsupported debenture outstanding at August 31, 2017 has an interest rate of 3.06%. The term of the loan is 20 years with payments made semi-annually.	\$ 12,986,323	\$ 13,583,639
Total	<u>\$ 12,986,323</u>	<u>\$ 13,583,639</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
2017-2018	615,716	392,322	\$ 1,008,038
2018-2019	634,682	373,356	\$ 1,008,038
2019-2020	654,233	353,805	\$ 1,008,038
2020-2021	674,385	333,652	\$ 1,008,037
2021-2022	695,159	312,879	\$ 1,008,038
2022 to maturity	9,712,148	1,880,285	11,592,433
Total	<u>\$ 12,986,323</u>	<u>\$ 3,646,299</u>	<u>\$ 16,632,622</u>

11. PREPAID EXPENSES

Prepaid expenses consist of the following:

	2017	2016
Prepaid insurance	\$ 563,954	\$ 494,130
International Baccalaureate Fees	29,837	55,789
Building Lease Payments	434,801	431,840
Enterprise Systems	1,265,087	573,220
Professional Development	15,240	173,927
Other	60,618	61,060
Total	<u>\$ 2,369,537</u>	<u>\$ 1,789,966</u>



12. OTHER NON-FINANCIAL ASSETS

Other non-financial assets consist of the following:

	2017	2016
Inventory - Primarily for Internal Use	\$ 4,144,641	\$ 2,768,039
Total	<u>\$ 4,144,641</u>	<u>\$ 2,768,039</u>

13. 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:

	2017	2016
Unrestricted surplus	\$ -	\$ -
Operating reserves	<u>80,420,780</u>	<u>99,497,837</u>
Accumulated surplus from operations	80,420,780	99,497,837
Investment in tangible capital assets	73,635,715	62,904,234
Capital reserves	63,691,231	57,063,531
Accumulated surplus	<u>\$ 217,747,726</u>	<u>\$ 219,465,602</u>

Accumulated surplus from operations (ASO) includes funds of \$2,804,233 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:

	2017	2016
Accumulated surplus from operations	\$ 80,420,780	\$ 99,497,837
Deduct: School generated funds included in accumulated surplus (Note 17)	<u>2,804,233</u>	<u>2,933,533</u>
Adjusted accumulated surplus from operations ⁽¹⁾	<u>\$ 77,616,547</u>	<u>\$ 96,564,304</u>

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



14. CONTRACTUAL OBLIGATIONS

	2017	2016
Building projects ⁽¹⁾	\$ 47,576,448	\$ 148,155,418
Building leases ⁽²⁾	20,237,187	24,177,237
Service providers ⁽³⁾	14,982,390	9,544,618
Total	\$ 82,796,025	\$ 181,877,273

- (1) Building Projects: The District is committed to capital expenditures of \$22,572,465 for expansions/modernizations at four schools. The District is also committed to further capital expenditures to complete other schools of approximately \$18,516,241. The District has also committed to an infrastructure optimization project for \$6,487,742. It is anticipated that \$41,088,706 of these costs will be fully funded by capital revenue 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, 2017, the District has \$14,982,390 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
2017-2018	\$ 47,576,448	\$ 5,150,656	\$ 14,982,390
2018-2019	-	3,653,392	-
2019-2020	-	3,609,958	-
2020-2021	-	1,264,139	-
2021-2022	-	1,335,025	-
Thereafter	-	5,224,017	-
	\$ 47,576,448	\$ 20,237,187	\$ 14,982,390

15. CONTINGENT LIABILITIES

- a) The District has been named in 18 (2016 – 15) claims, seven (2016 – three) of which the outcome is not determinable. Of these indeterminable claims, none (2016 – none) have specified amounts (2016 - nil). The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount. None of these contingent liabilities involve 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, 2017 was \$1,956,515 (2016 - \$1,883,446). This amount has not been recognized in the District's consolidated financial statements.



16. 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.

	2017	2016
Deferred salary leave plan	\$ 1,737,449	\$ 1,897,518
Scholarship trusts	649,594	658,665
International Student Health Insurance	(9,540)	(7,527)
International Student Homestay Fees	(26,499)	-
Total	<u>\$ 2,351,004</u>	<u>\$ 2,548,656</u>

17. SCHOOL GENERATED FUNDS

	2017	2016
School Generated Funds, Beginning of Year	\$ 5,107,985	\$ 4,932,066
Gross Receipts:		
Fees	12,714,574	13,099,858
Fundraising	2,049,407	1,990,541
Gifts and donations	5,452,687	4,913,605
Grants to schools	(22,921)	118,705
Other sales and services	5,230,135	5,373,087
Total gross receipts	25,423,882	25,495,796
Total Related Expenses and Uses of Funds	18,945,265	18,746,607
Total Direct Costs Including Cost of Goods Sold to Raise Funds	6,638,828	6,573,270
School Generated Funds, End of Year	<u>\$ 4,947,774</u>	<u>\$ 5,107,985</u>
Balance included in Deferred Revenue	\$ 2,143,541	\$ 2,174,451
Balance included in Accumulated Surplus (Operating Reserves)	\$ 2,804,233	\$ 2,933,534



18. RELATED PARTY TRANSACTIONS

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	\$ 54,005,718	\$ 4,202,675		
Prepaid expenses / Deferred operating revenue	-	10,755,381		
Unexpended deferred capital revenue		25,123,707		
Expended deferred capital revenue		931,709,331	33,519,270	
Grant revenue & expenses			940,636,952	
ATRF payments made on behalf of district			56,097,698	
Other revenues & expenses			221,657	207,825
Other Alberta school jurisdictions	155,841	-	729,851	240,977
Other Sales & Services to Alberta School Jurisdictions			1,581,209	
Alberta Infrastructure	143,341	130,738	277,737	27,492
Alberta Human Services	341,408	53,864	1,968,013	-
Alberta Culture and Tourism	-	172,725	102,369	16,228
Alberta Labour	-	-	138,830	-
Other GOA ministries	-	3,287	46,413	6,017
Alberta Foundation for the Arts	-	-	68,784	-
Alberta Health Services	68,269	5,692	887,481	122,076
Post-secondary institutions	1,484	74,033	573,928	272,652
Other:				
Alberta Capital Financing Authority		12,986,323		402,435
TOTAL 2016/2017	\$ 54,716,061	\$ 985,217,756	\$1,036,850,192	\$ 1,295,702
TOTAL 2015/2016 (restated)	\$ 18,189,096	\$ 730,926,400	\$1,004,501,594	\$ 19,378,062

19. 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.

20. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 14, 2016. It is presented for information purposes only and has not been audited.



21. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2016-2017 presentation.

22. CHANGE IN ACCOUNTING POLICY

The District early adopted *PSAS* section 3210 Assets effective September 1, 2016 with retroactive application with restatement. The District has determined that this change in accounting policy enhances the reliability and relevance of the consolidated financial statements for users as it better aligns the recognition of assets with the risks of ownership of these assets.

In the past, the District has not recorded construction projects managed and paid for directly by the Government of Alberta until the time of occupancy, defined as the first day of classes.

The following summarizes the effect of the change in accounting policy on the District's financial position, financial performance and cash flows:

	Originally Reported	Effect of Change in Accounting Policy	Restated
Liabilities			
Deferred revenue	\$ 724,550,281	\$ 52,984,693	\$ 777,534,974
Net debt	(516,003,214)	(52,984,693)	(568,987,907)
Non-Financial Assets			
Tangible capital assets			
Buildings	591,372,050	52,984,693	644,356,743
Total non-financial assets	735,468,816	52,984,693	788,453,509