

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2017**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Sturgeon School Division No. 24**

Legal Name of School Jurisdiction

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Telephone & Fax Numbers, and Email Address

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Sturgeon School Division No. 24 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**

Mr. Terry Jewell  
Name

  
Signature

**SUPERINTENDENT**

Dr. Michele Dick  
Name

  
Signature

**SECRETARY-TREASURER OR TREASURER**

Mrs. Iva Paulik  
Name

  
Signature

November 22, 2017

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of Sturgeon School Division No. 24:

We have audited the accompanying financial statements of Sturgeon School Division No. 24, which comprise the statement of financial position as at August 31, 2017, the statements of operations, cash flows, changes in net debt, remeasurement gains and losses, and changes in accumulated surplus for the year then ended, and the related notes which comprise a summary of significant accounting policies and other explanatory information.

*Managements' Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, these financial statements present fairly, in all material respects, the financial position of Sturgeon School Division No. 24 as at August 31, 2017, and results of its operations, changes in its net debt, changes in accumulated surplus, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

November 22, 2017  
Edmonton, Alberta

  
Hawkings Epp Dumont LLP  
Chartered Accountants

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

		2017	2016
<b>FINANCIAL ASSETS</b>			
Cash and cash equivalents	(Schedule 5)	\$ 5,669,994	\$ 8,747,254
Accounts receivable (net after allowances)	(Note 3)	\$ 761,715	\$ 477,645
Portfolio investments	(Schedule 5)	\$ 5,043,750	\$ -
Other financial assets	(Note 4)	\$ 31,446	\$ 26,275
<b>Total financial assets</b>		<b>\$ 11,506,905</b>	<b>\$ 9,251,174</b>
<b>LIABILITIES</b>			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 4,072,543	\$ 1,870,100
Deferred revenue	(Note 7)	\$ 48,233,703	\$ 34,822,225
Employee future benefits liabilities		\$ -	\$ -
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 8)		
Supported: Debentures and other supported debt		\$ -	\$ 7,938
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
<b>Total liabilities</b>		<b>\$ 52,306,246</b>	<b>\$ 36,700,263</b>
<b>Net financial assets (debt)</b>		<b>\$ (40,799,341)</b>	<b>\$ (27,449,089)</b>
<b>NON-FINANCIAL ASSETS</b>			
Tangible capital assets	(Schedule 6)		
Land		\$ 1,414,541	\$ 1,414,541
Construction in progress		\$ 25,992,466	\$ 15,115,797
Buildings	\$ 62,717,059		
Less: Accumulated amortization	\$ (42,483,919)	\$ 20,233,140	\$ 18,552,329
Equipment	\$ 3,459,619		
Less: Accumulated amortization	\$ (1,040,943)	\$ 2,418,676	\$ 793,836
Vehicles	\$ 502,316		
Less: Accumulated amortization	\$ (402,301)	\$ 100,015	\$ 129,156
Computer Equipment	\$ 164,926		
Less: Accumulated amortization	\$ (120,809)	\$ 44,117	\$ 77,103
<b>Total tangible capital assets</b>		<b>\$ 50,202,955</b>	<b>\$ 36,082,762</b>
Prepaid expenses		\$ 333,875	\$ 315,809
Other non-financial assets		\$ -	\$ -
<b>Total non-financial assets</b>		<b>\$ 50,536,830</b>	<b>\$ 36,398,571</b>
<b>Accumulated surplus</b>	(Schedule 1; Note 9)	<b>\$ 9,737,489</b>	<b>\$ 8,949,482</b>
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 9,737,489	\$ 8,949,482
Accumulated rereasurement gains (losses)		\$ -	\$ -
		\$ 9,737,489	\$ 8,949,482
<b>Contractual obligations</b>	(Note 10)		
<b>Contingent liabilities</b>	(Note 11)		

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

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

	Budget 2017	Actual 2017	Actual 2016
<b>REVENUES</b>			
Alberta Education	\$ 64,662,335	\$ 65,244,698	\$ 63,861,714
Other - Government of Alberta	\$ 621,208	\$ 826,932	\$ 684,812
Federal Government and First Nations	\$ 260,000	\$ 280,000	\$ 280,000
Other Alberta school authorities	\$ 21,677	\$ 21,677	\$ 21,677
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule B)	\$ 1,986,216	\$ 1,887,134	\$ 1,787,716
Other sales and services	\$ 247,328	\$ 317,681	\$ 405,214
Investment income	\$ 67,000	\$ 102,827	\$ 80,688
Gifts and donations	\$ 94,679	\$ 181,457	\$ 173,613
Rental of facilities	\$ 29,177	\$ 38,939	\$ 48,502
Fundraising	\$ 218,000	\$ 56,483	\$ 121,264
Gains on disposal of capital assets	\$ -	\$ 43,624	\$ -
Other revenue	\$ -	\$ 285,660	\$ 62,386
<b>Total revenues</b>	\$ 68,207,620	\$ 69,287,112	\$ 67,527,586
<b>EXPENSES</b>			
Instruction - ECS	\$ 11,044,979	\$ 11,437,324	\$ 10,866,230
Instruction - Grades 1 - 12	\$ 41,520,549	\$ 41,418,210	\$ 40,087,495
Plant operations and maintenance	\$ 7,426,024	\$ 7,388,458	\$ 6,911,947
Transportation	\$ 5,524,993	\$ 5,581,778	\$ 5,373,810
Board & system administration	\$ 2,496,204	\$ 2,553,612	\$ 2,461,789
External services	\$ 73,654	\$ 119,723	\$ 78,064
<b>Total expenses</b>	\$ 68,086,403	\$ 68,499,105	\$ 65,779,335
<b>Operating surplus (deficit)</b>	\$ 121,217	\$ 788,007	\$ 1,748,251

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

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

	2017	2016
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATING TRANSACTIONS</b>		
Operating surplus (deficit)	\$ 788,007	\$ 1,748,251
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 1,715,346	\$ 1,588,951
Gains on disposal of tangible capital assets	\$ (43,624)	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (1,543,159)	\$ (1,425,551)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (284,070)	\$ 438,659
Prepays	\$ (18,066)	\$ (106,314)
Other financial assets	\$ (5,171)	\$ 9,863
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 2,202,443	\$ 321,198
Deferred revenue (excluding EDCR)	\$ 1,352,358	\$ 2,074,926
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from operating transactions</b>	<b>\$ 4,164,064</b>	<b>\$ 4,649,983</b>
<b>B. CAPITAL TRANSACTIONS</b>		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (1,064,180)	\$ (1,239,605)
Equipment	\$ (1,194,836)	\$ (655,195)
Vehicles	\$ -	\$ -
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 69,380	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from capital transactions</b>	<b>\$ (2,189,636)</b>	<b>\$ (1,894,800)</b>
<b>C. INVESTING TRANSACTIONS</b>		
Purchases of portfolio investments	\$ (5,043,750)	\$ 22,770
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from investing transactions</b>	<b>\$ (5,043,750)</b>	<b>\$ 22,770</b>
<b>D. FINANCING TRANSACTIONS</b>		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (7,938)	\$ (34,920)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
<b>Total cash flows from financing transactions</b>	<b>\$ (7,938)</b>	<b>\$ (34,920)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ (3,077,260)</b>	<b>\$ 2,743,033</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>\$ 8,747,254</b>	<b>\$ 6,004,221</b>
<b>Cash and cash equivalents, at end of year</b>	<b>\$ 5,669,994</b>	<b>\$ 8,747,254</b>

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

**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)**

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

	Budget 2017	2017	2016
<b>Operating surplus (deficit)</b>	\$ 121,217	\$ 788,007	\$ 1,748,251
<b>Effect of changes in tangible capital assets</b>			
Acquisition of tangible capital assets	\$ -	\$ (15,861,295)	\$ (13,529,600)
Amortization of tangible capital assets	\$ 1,608,669	\$ 1,715,346	\$ 1,588,951
Net carrying value of tangible capital assets disposed of	\$ -	\$ 25,756	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
<b>Total effect of changes in tangible capital assets</b>	\$ 1,608,669	\$ (14,120,193)	\$ (11,940,649)
<b>Changes in:</b>			
Prepaid expenses	\$ -	\$ (18,066)	\$ (106,314)
Other non-financial assets	\$ -	\$ -	\$ -
<b>Net remeasurement gains and (losses)</b>	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
<b>Increase (decrease) in net financial assets (net debt)</b>	\$ 1,729,886	\$ (13,350,252)	\$ (10,298,712)
<b>Net financial assets (net debt) at beginning of year</b>	\$ (27,449,089)	\$ (27,449,089)	\$ (17,150,377)
<b>Net financial assets (net debt) at end of year</b>	\$ (25,719,203)	\$ (40,799,341)	\$ (27,449,089)

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

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

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

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



**SCHEDULE 1**

School Jurisdiction Code:

1110

**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	\$ 8,949,482	\$ -	\$ 8,949,482	\$ 2,616,941	\$ -	\$ 987,302	\$ 1,634,785	\$ 3,710,454
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 8,949,482	\$ -	\$ 8,949,482	\$ 2,616,941	\$ -	\$ 987,302	\$ 1,634,785	\$ 3,710,454
Operating surplus (deficit)	\$ 788,007		\$ 788,007			\$ 788,007		
Board funded tangible capital asset additions				\$ 290,171		\$ (179,926)	\$ (110,245)	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (25,756)		\$ (43,624)		\$ 69,380
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	\$ -		\$ -	\$ (1,715,346)		\$ 1,715,346		
Capital revenue recognized	\$ -		\$ -	\$ 1,543,159		\$ (1,543,159)		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -		
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -		
Net transfers to operating reserves	\$ -		\$ -			\$ (10,386)	\$ 10,386	
Net transfers from operating reserves	\$ -		\$ -			\$ 94,056	\$ (94,056)	
Net transfers to capital reserves	\$ -		\$ -			\$ (172,187)		\$ 172,187
Net transfers from capital reserves	\$ -		\$ -			\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 9,737,489	\$ -	\$ 9,737,489	\$ 2,709,169	\$ -	\$ 1,635,429	\$ 1,440,870	\$ 3,952,021

**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	\$ 1,634,785	\$ 43,000	\$ -	\$ 359,554	\$ -	\$ 3,242,084	\$ -	\$ 65,816	\$ -	\$ -	\$ -	
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Adjusted Balance, August 31, 2016	\$ 1,634,785	\$ 43,000	\$ -	\$ 359,554	\$ -	\$ 3,242,084	\$ -	\$ 65,816	\$ -	\$ -	\$ -	
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ (110,245)											
Disposal of unsupported tangible capital assets or board funded portion of supported assets												
Write-down of unsupported tangible capital assets or board funded portion of supported assets												
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Reinvested endowment income												
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ 10,386		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net transfers from operating reserves	\$ (94,056)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net transfers to capital reserves		\$ -		\$ 172,187		\$ -		\$ -		\$ -	\$ -	
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Balance at August 31, 2017	\$ 1,440,870	\$ 43,000	\$ -	\$ 601,121	\$ -	\$ 3,242,084	\$ -	\$ 65,816	\$ -	\$ -	\$ -	

## SCHEDULE 2

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects <sup>(A)</sup>	Surplus from Provincially Approved Projects <sup>(B)</sup>	Proceeds on Disposal of Provincially Funded Tangible Capital Assets <sup>(C)</sup>	Unexpended Deferred Capital Revenue from Other Sources <sup>(D)</sup>	
Balance at August 31, 2016	\$ 708,529	\$ 26,290	\$ 4,903	\$ -	\$ 33,465,808
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 708,529	\$ 26,290	\$ 4,903	\$ -	\$ 33,465,808
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 999,213				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 249,048				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ 128,574				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:                      School Council Built Playgrounds					\$ 303,020
Alberta Infrastructure managed projects					\$ 13,299,259
Transferred In (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (1,968,847)	\$ -	\$ -	\$ -	\$ 1,968,847
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					\$ 1,543,159
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ 116,517	\$ 26,290	\$ 4,903	\$ -	\$ 47,493,775
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 147,709	

**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 Restated	
	Instruction		Plant Operations and Maintenance		Transportation	Board & System Administration	External Services		TOTAL
	ECS	Grades 1 - 12	Maintenance						
(1) Alberta Education	\$ 11,064,065	\$ 40,015,381	\$ 6,690,648	\$ 4,869,068	\$ 40,901	\$ 65,244,698	\$ 63,861,714		
(2) Other - Government of Alberta	\$ 422,098	\$ 404,471	\$ 363	\$ -	\$ -	\$ 826,932	\$ 684,812		
(3) Federal Government and First Nations	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ 280,000	\$ 280,000		
(4) Other Alberta school authorities	\$ -	\$ 21,677	\$ -	\$ -	\$ -	\$ 21,677	\$ 21,677		
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(8) Fees	\$ 198,637	\$ 1,155,927	\$ -	\$ 532,570	\$ -	\$ 1,887,134	\$ 1,787,716		
(9) Other sales and services	\$ -	\$ 238,859	\$ -	\$ -	\$ 78,822	\$ 317,681	\$ 405,214		
(10) Investment income	\$ -	\$ 494	\$ 40,000	\$ -	\$ 62,333	\$ 102,827	\$ 80,688		
(11) Gifts and donations	\$ -	\$ 164,957	\$ -	\$ -	\$ 16,500	\$ 181,457	\$ 173,613		
(12) Rental of facilities	\$ -	\$ 36,239	\$ 2,700	\$ -	\$ -	\$ 38,939	\$ 48,502		
(13) Fundraising	\$ 5,456	\$ 51,027	\$ -	\$ -	\$ -	\$ 56,483	\$ 121,264		
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 43,624	\$ -	\$ -	\$ 43,624	\$ -		
(15) Other revenue	\$ -	\$ 156,032	\$ 102,662	\$ -	\$ 26,966	\$ 285,660	\$ 62,386		
(16) TOTAL REVENUES	\$ 11,690,256	\$ 42,525,064	\$ 6,879,997	\$ 5,401,638	\$ 119,723	\$ 69,287,112	\$ 67,527,586		
<b>EXPENSES</b>									
(17) Certificated salaries	\$ 3,896,396	\$ 24,173,025	\$ -	\$ -	\$ 559,196	\$ 64,258	\$ 27,662,824		
(18) Certificated benefits	\$ 853,171	\$ 5,252,735	\$ -	\$ -	\$ 113,299	\$ 6,001	\$ 6,225,206		
(19) Non-certificated salaries and wages	\$ 4,282,424	\$ 5,946,587	\$ 2,016,093	\$ 150,364	\$ 824,028	\$ 39,453	\$ 13,258,949		
(20) Non-certificated benefits	\$ 1,047,894	\$ 1,588,581	\$ 518,640	\$ 36,634	\$ 182,416	\$ 10,011	\$ 3,384,176		
(21) SUB - TOTAL	\$ 10,079,885	\$ 36,960,928	\$ 2,534,733	\$ 186,998	\$ 1,678,939	\$ 119,723	\$ 51,561,206		
(22) Services, contracts and supplies	\$ 1,347,687	\$ 4,422,742	\$ 3,259,951	\$ 5,365,640	\$ 826,160	\$ -	\$ 15,222,190		
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 1,543,159	\$ -	\$ -	\$ -	\$ 1,543,159		
(24) Amortization of unsupported tangible capital assets	\$ 9,742	\$ 34,540	\$ 50,252	\$ 29,140	\$ 48,513	\$ -	\$ 172,187		
(25) Supported interest on capital debt	\$ -	\$ -	\$ 363	\$ -	\$ -	\$ -	\$ 363		
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(30) TOTAL EXPENSES	\$ 11,437,324	\$ 41,418,210	\$ 7,388,458	\$ 5,581,778	\$ 2,553,612	\$ 119,723	\$ 65,779,335		
(31) OPERATING SURPLUS (DEFICIT)	\$ 252,932	\$ 1,106,854	\$ (508,461)	\$ (180,140)	\$ 116,822	\$ -	\$ 788,007		

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	\$ 1,497,558	\$ 333,751	\$ -	\$ -	\$ 184,784			\$ 2,016,093	\$ 1,951,411
Uncertificated benefits	\$ 401,480	\$ 73,181	\$ -	\$ -	\$ 43,979			\$ 518,640	\$ 507,463
Sub-total Remuneration	\$ 1,899,038	\$ 406,932	\$ -	\$ -	\$ 228,763			\$ 2,534,733	\$ 2,458,874
Supplies and services	\$ 187,836	\$ 573,285	\$ 2,654	\$ 1,056,459	\$ 115,163			\$ 1,935,397	\$ 1,823,847
Electricity			\$ 587,503					\$ 587,503	\$ 533,320
Natural gas/heating fuel			\$ 356,055					\$ 356,055	\$ 250,567
Sewer and water			\$ 71,172					\$ 71,172	\$ 76,576
Telecommunications			\$ 8,700					\$ 8,700	\$ 5,401
Insurance					\$ 301,124			\$ 301,124	\$ 301,436
ASAP maintenance & renewal payments									
Amortization of tangible capital assets									
Supported							\$ 1,543,159	\$ 1,543,159	\$ 1,425,551
Unsupported						\$ 50,252	\$ 1,543,159	\$ 50,252	\$ 34,389
Total Amortization						\$ 50,252	\$ 1,593,411	\$ 1,593,411	\$ 1,459,940
Interest on capital debt									
Supported							\$ 363	\$ 363	\$ 1,986
Unsupported									
Lease payments for facilities									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 2,086,874	\$ 980,217	\$ 1,026,084	\$ 1,056,459	\$ 645,050	\$ 50,252	\$ 1,543,522	\$ 7,388,458	\$ 6,911,947
SQUARE METRES									
School buildings								62,834.0	60,894.3
Non school buildings								1,910.0	1,481.0

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)**

<u>Cash &amp; Cash Equivalents</u>	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ -	\$ 5,669,994	\$ 8,747,254
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%	\$ -	\$ 5,669,994	\$ 8,747,254

See Note 3 for additional detail.

<u>Portfolio Investments</u>	2017				2016
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -		\$ -	\$ -
Guaranteed investment certificates	0.00%	-	-	-	-
Fixed income securities					
Government of Canada, direct and guaranteed	1.50%	\$ -	\$ 5,043,750	\$ 5,043,750	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	1.50%	-	5,043,750	5,043,750	-
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	1.50%	\$ -	\$ 5,043,750	\$ 5,043,750	\$ -

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: **1110**

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

	2017						2016	
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total
<b>Tangible Capital Assets</b>								
Estimated useful life								
<b>Historical cost</b>								
Beginning of year	\$ 1,414,541	\$ 15,115,797	\$ 59,527,325	\$ 1,743,511	\$ 661,958	\$ 164,926	\$ 78,628,058	\$ 65,098,458
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	13,892,135	174,268	1,794,896	-	-	15,861,299	13,529,600
Transfers in (out)	-	(3,015,466)	3,015,466	-	-	-	-	-
Less disposals including write-offs	-	-	-	(78,788)	(159,642)	-	(238,430)	-
Historical cost, August 31, 2017	\$ 1,414,541	\$ 25,992,466	\$ 62,717,059	\$ 3,459,619	\$ 502,316	\$ 164,926	\$ 94,250,927	\$ 78,628,058
<b>Accumulated amortization</b>								
Beginning of year	\$ -	\$ -	\$ 40,974,996	\$ 949,675	\$ 532,802	\$ 87,823	\$ 42,545,296	\$ 40,956,345
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	1,508,923	144,300	29,141	32,986	1,715,350	1,588,951
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(53,032)	(159,642)	-	(212,674)	-
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 42,483,919	\$ 1,040,943	\$ 402,301	\$ 120,809	\$ 44,047,972	\$ 42,545,296
<b>Net Book Value at August 31, 2017</b>	\$ 1,414,541	\$ 25,992,466	\$ 20,233,140	\$ 2,418,676	\$ 100,015	\$ 44,117	\$ 50,202,955	\$ 36,082,762
<b>Net Book Value at August 31, 2016</b>	\$ 1,414,541	\$ 15,115,797	\$ 18,552,329	\$ 793,836	\$ 129,156	\$ 77,103	\$ 36,082,762	\$ 36,082,762

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

**SCHEDULE 7**

School Jurisdiction Code: 1110

**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
Tracy Nowak (Chair)	1.00	\$19,646	\$648	\$0	\$0	\$0	\$0	\$2,131
Shelley Porter (Vice Chair)	1.00	\$19,633	\$645	\$0	\$0	\$0	\$0	\$3,223
Elizabeth Kohle	1.00	\$20,210	\$674	\$0	\$0	\$0	\$0	\$8,013
Misty Featherley	1.00	\$18,010	\$580	\$0	\$0	\$0	\$0	\$1,026
Terry Jewell	1.00	\$19,910	\$176	\$0	\$0	\$0	\$0	\$10,037
Wendy Miller	1.00	\$18,460	\$600	\$0	\$0	\$0	\$0	\$3,195
Michelle Mychasiw	0.08	\$1,305	\$36	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>6.08</b>	<b>\$117,174</b>	<b>\$3,359</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,625</b>
Dr. Michele Dick, Superintendent	1.00	\$199,750	\$29,442	\$0	\$0	\$0	\$10,406	\$12,740
Iva Paulik, Secretary Treasurer	1.00	\$185,000	\$44,453	\$0	\$0	\$0	-\$1,423	\$7,120
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Certificated teachers</b>	<b>290.90</b>	<b>\$28,493,125</b>	<b>\$6,185,356</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Non-certificated - other</b>	<b>292.42</b>	<b>\$12,956,775</b>	<b>\$3,337,787</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTALS</b>	<b>591.40</b>	<b>\$41,951,824</b>	<b>\$9,600,399</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,983</b>	<b>\$47,485</b>

(1) Other Accrued Unpaid Benefits include: Net change to accrued vacation liability and retirement allowance

Trustee Remuneration and Expenses are in accordance with the Trustee Remuneration and Expense Reimbursement Policy (E/II/2). Expenses include board approved activities such as Board committees and meetings, Board representation to other organizations and trustee professional development. The expenses may vary based on the respective trustee representation throughout the school year. Benefits of Superintendent include Alberta Education contributions to the Teachers Retirement Fund pension plan. Benefits of Secretary Treasurer include the employer share of Local Authority Pension Plan and Supplementary Income Pension Plan.



## 1. AUTHORITY AND PURPOSE

Sturgeon School Division No. 24 (the "Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The School Division receives funding for instruction and support under Education Grants Regulation 120/2008. The regulation allows for the setting of conditions and use of grant monies. The School Division is limited on certain funding allocations and administration expenses.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards (PSAS). The 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) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

### b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

### c) Portfolio Investments

GIC's not quoted in an active market are reported at cost or amortized cost.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

### d) Tangible capital assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement 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.
- Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include land, 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 School Division 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 Unamortized Deferred Capital Contributions.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School Division are considered capital leases.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:
  - Buildings 2.5% to 4%
  - Vehicles & Buses 10% to 20%
  - Computer Hardware & Software 20% to 33.3%
  - Other Equipment & Furnishings 10% to 20%

e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard PS 3200*. These contributions are recognized by the School Division 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

Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Division, 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

Expended Deferred Capital Revenue represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related tangible capital asset. Amortization over the useful life of the related tangible capital asset is due to certain stipulations related to the contributions that require that the School Division to use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

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

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include early retirement and retirement/severance.

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

g) 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.

h) 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 Change in Accumulated Surplus.

i) 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 and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School Division has to meet in order to receive the contributions. Stipulations describe how the School Division 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 the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue.

j) Expenses

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

Allocation of Costs

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

k) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers' Pension Plan Act*, the School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the School Division is included in both revenues and expenses. For the school year ended August 31, 2017, the amount contributed by the Government of Alberta was \$3,121,150 (2016 - \$3,319,125).

The School Division 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 for the year ended August 31, 2017 \$1,336,579 (2016 -\$1,275,887). At December 31, 2016, the Local Authorities Pension Plan reported a deficiency of \$637,357,000 (2016 - a deficiency of \$923,416,000).

l) Program Reporting

The School 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 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 facilities.
- **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 are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

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

m) Trusts Under Administration

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

Trusts under administration have been excluded from the financial reporting of the Division. Trust balances can be found in Note 12.

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 financial statements. The School Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash, accounts receivable, portfolio investments, accounts payable and accrued liabilities, debt and other liabilities. It is management's opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

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 de-recognition 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 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 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 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights (effective April 1, 2017)**

PS 3210 provides guidance for applying the definition of assets set out in Financial Statement Concepts, Section PS 1000, and establishes general disclosure standards for assets; 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 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 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 financial statements; and how to account for and report portfolio investments.

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

### 3. ACCOUNTS RECEIVABLE

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 236,899	\$ -	\$ 236,899	\$ 85,321
Alberta Education - Capital	128,574	-	128,574	4,098
Alberta Education - IMR	-	-	-	-
Alberta Education - Diploma Marking	226	-	226	678
Treasury Board and Finance - Supported debenture principal	-	-	-	7,938
Treasury Board and Finance - Accrued interest on supported debentures	-	-	-	421
Labour	-	-	-	4,245
Human Services	78,555	-	78,555	59,408
Federal government	114,072	-	114,072	118,062
First Nations	-	-	-	1,283
Other	203,389	-	203,389	196,191
<b>Total</b>	<b>\$ 761,715</b>	<b>\$ -</b>	<b>\$ 761,715</b>	<b>\$ 477,645</b>

### 4. OTHER FINANCIAL ASSETS

Other Financial assets consist of the following:

	2017	2016
Inventory	\$ 31,446	\$ 26,275
<b>Total</b>	<b>\$ 31,446</b>	<b>\$ 26,275</b>

Inventory is measured at the lower of cost and net realizable value.

### 5. BANK INDEBTEDNESS

The School Division has negotiated an operating loan in the amount of \$3,000,000 that bears interest at prime less 0.5%. This loan is secured by a security agreement. There was zero balance at August 31, 2017.

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2017	2016
Alberta Education	\$ 764,373	\$ 381,962
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	421
Alberta Health	-	-
Alberta Health Services	-	-
Federal government	667,078	1,146
First Nations	-	-
Accrued vacation pay liability	154,892	148,227
Other salaries & benefit costs	656,302	24,596
Other trade payables and accrued liabilities	1,829,898	1,313,749
<b>Total</b>	<b>\$ 4,072,543</b>	<b>\$ 1,870,100</b>

**7. DEFERRED REVENUE**

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2016	ADD: 2016/2017 Restricted Funds Received/ Receivable	DEDUCT: 2016/2017 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2015/2016 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2017
<b>Unexpended deferred operating revenue</b>					
<b>Alberta Education:</b>					
Infrastructure Maintenance Renewal	54,689	1,532,969	(1,360,359)	-	227,299
Other Alberta Education def'd revenue SLA	2,418	-	(2,418)	-	-
Other Alberta Education def'd revenue Bridging Progra	51,333	-	(33,333)	-	18,000
<b>Other Government of Alberta:</b>					
Alberta Health	3,175	80,237	(62,690)	-	20,722
Human Services - Child and Family Services	18,736	206,091	(224,827)	-	-
<b>Other Deferred Revenue:</b>					
School Generated Funds	115,782	1,369,635	(1,265,392)	-	220,025
Fees	-	-	-	-	-
Donations	8,530	19,800	(25,830)	-	2,500
Transportation Fees	361,742	170,828	(440,046)	-	92,524
Other	291	11,148	(291)	-	11,148
<b>Total unexpended deferred operating revenue</b>	<b>\$ 616,696</b>	<b>\$ 3,390,708</b>	<b>\$ (3,415,186)</b>	<b>\$ -</b>	<b>\$ 592,218</b>
<b>Unexpended deferred capital revenue (Schedule 2)</b>	<b>739,721</b>	<b>1,376,835</b>	<b>(1,968,847)</b>	<b>-</b>	<b>147,709</b>
<b>Expended deferred capital revenue (Schedule 2)</b>	<b>33,465,808</b>	<b>15,571,127</b>	<b>(1,543,159)</b>	<b>-</b>	<b>47,493,775</b>
<b>Total</b>	<b>\$ 34,822,225</b>	<b>\$ 20,338,670</b>	<b>\$ (6,927,192)</b>	<b>\$ -</b>	<b>\$ 48,233,703</b>

**8. DEBT**

The debentures held with Alberta Capital Finance Authority and fully supported by Alberta Finance. Debenture payments were fully paid in 2016-2017.

**9. ACCUMULATED SURPLUS:**

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

	2017	2016
Unrestricted surplus	\$ 1,635,424	\$ 987,302
Operating reserves	<u>1,440,875</u>	<u>1,634,785</u>
Accumulated surplus (deficit) from operations	3,076,299	2,622,087
Investment in tangible capital assets	2,709,169	2,616,941
Capital reserves	3,952,021	3,710,454
Endowments	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 9,737,489</u>	<u>\$ 8,949,482</u>

Included in Accumulated surplus from operations are school generated funds to which the Division has no claim. Adjusted accumulated surplus represents funds owned by the Division.

	2017	2016
Accumulated surplus (deficit) from operations	\$ 3,076,299	\$ 2,622,087
Deduct: School generated funds included in accumulated surplus (Note 13)	<u>449,712</u>	<u>445,726</u>
Adjusted accumulated surplus (deficit) from operations <sup>(1)</sup>	<u>\$ 2,626,587</u>	<u>\$ 2,176,361</u>

(1) Accumulated surplus represents funding available for use by the school jurisdiction after deducting funds committed for use by schools.

**10. CONTRACTUAL OBLIGATIONS**

	Building Leases	Equipment & Vehicle Leases
2017-2018	\$ 96,667	\$ 361,211
2018-2019	45,893	322,948
2019-2020	46,891	304,233
2020-2021	47,920	149,230
2021-2022	48,980	-
Thereafter	88,667	-
	<u>\$ 375,018</u>	<u>\$ 1,137,622</u>

<sup>(1)</sup>Building Leases: The Division is committed to two leases to operate its Learning Centers and one lease to operate a preschool program in Legal.

<sup>(2)</sup> Equipment and Vehicle Leases: As at August 31, 2017, the Division has \$1,137,622 (2016 - 1,506,306) in commitments relating to equipment and vehicle leases.



<sup>(3)</sup> The Division has entered into an agreement with Enmax Energy for the provision of electricity services. The agreement is in effect from January 1, 2014 to December 31, 2018. Under the terms of the agreement, the Division pays energy charges at a fixed rate for the contracted consumption amounts. The energy charges for any quantity of electricity either in excess or less than the contracted consumptions amounts are subject to variable charges and credits.

## 11. CONTINGENT LIABILITIES

On December 15, 2000, the School Division entered into an agreement with the Minister of National Defense. Under the terms of the agreement, the School Division leases land, on which the new Guthrie School is located, from the Minister in the amount of \$1.00 per annum for a period of twenty-five years commencing on September 1, 2000 and continuing until August 31, 2025. The School Division has the option to renew the lease for a further twenty-five year term under the same terms and conditions provided the School Division notifies the Minister at least twelve months prior to the expiry of the present lease term of its intention to exercise this option.

The School Division has two sites, the sewage lift station at Camilla School in Riviere Que Barre and the Lagoon at Namao School, which may require future remediation. Unless such remediation or upgrades occur, there would be no related provision recognized in the financial statements as there is currently no obligation to remediate these sites. The costs of future remediation or upgrades are unknown at this time.

The School Division has been named in the statement of claim regarding the Namao Lagoon. It is management's opinion that the outcome of this claim is not determinable at this time, As a result no amount has been recognized in the financial statements nor disclosed due to the fact that such disclosure could have an effect on the outcome.

The School Division is a member of a reciprocal insurance exchange called ASBIE. Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The jurisdiction's share of the pool as at December 31, 2016 is \$155,336 (2016- \$130,333).

## 12. TRUSTS UNDER ADMINISTRATION

These balances represent assets that are held in trust by the jurisdiction. They are not recorded on the statements of the School Division.

	2017	2016
Deferred salary leave plan	\$ -	\$ 74,543
Scholarship trusts	55,586	58,418
Total	<u>\$ 55,586</u>	<u>\$ 132,961</u>

**13. SCHOOL GENERATED FUNDS**

	2017	2016
School Generated Funds, Beginning of Year	\$ 561,508	\$ 491,707
Gross Receipts:		
Fees	714,118	679,623
Fundraising	160,726	155,219
Gifts and donations	161,657	109,759
Grants to schools	-	-
Other sales and services	343,521	196,195
Total gross receipts	1,380,022	1,140,796
Total Related Expenses and Uses of Funds	101,169	85,038
Total Direct Costs Including Cost of Goods Sold to Raise Funds	1,170,624	985,957
School Generated Funds, End of Year	<u>\$ 669,737</u>	<u>\$ 561,508</u>
Balance included in Deferred Revenue	\$ 220,025	\$ 115,782
Balance included in Accumulated Surplus (Operating Reserves)	\$ 449,712	\$ 445,726

#### 14. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
<b>Government of Alberta (GOA):</b>				
<b>Alberta Education</b>				
Accounts receivable / Accounts payable	\$ 365,699	\$ 764,373		
Prepaid expenses / Deferred operating revenue	-	245,299		
Unexpended deferred capital revenue		147,709		
Expended deferred capital revenue		47,493,777	1,543,159	
Grant revenue & expenses			60,539,486	
ATRF payments made on behalf of district			3,121,150	
Other revenues & expenses			40,901	-
<b>Other Alberta school jurisdictions</b>	-	-	21,677	-
<b>Alberta Treasury Board and Finance (Principal)</b>				
<b>Alberta Treasury Board and Finance (Accrued interest)</b>			363	
<b>Alberta Health</b>	-	20,722	29,278	-
<b>Alberta Health Services</b>	-	-	33,412	-
<b>Enterprise and Advanced Education</b>	-	-	-	-
<b>Post-secondary institutions</b>	-	-	-	-
<b>Alberta Infrastructure</b>	-	-	-	-
<b>Human Services</b>	78,555	-	763,879	-
<b>Culture &amp; Tourism</b>	-	-	-	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministries	-	-	-	-
<b>Other:</b>				
Alberta Capital Financing Authority				363
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
<b>TOTAL 2016/2017</b>	<b>\$ 444,254</b>	<b>\$48,671,880</b>	<b>\$66,093,305</b>	<b>\$ 363</b>
<b>TOTAL 2015/2016</b>	<b>\$ 98,456</b>	<b>\$34,705,490</b>	<b>\$64,568,193</b>	<b>\$ 1,986</b>

#### 15. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on June 22, 2016. It is presented for information purposes only and has not been audited.

#### 16. COMPARATIVE FIGURES

The comparative figures have been restated where necessary to conform to the 2016/2017 presentation.