

Financial statements

**The Board of Trustees of Elk Island Public
Schools Regional Division No. 14**

August 31, 2017

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

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

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 The Board of Trustees of Elk Island Public Schools Regional Division No. 14 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. Trina Boymook

Name



Signature

SUPERINTENDENT

Mr. Mark Liguori

Name



Signature

SECRETARY-TREASURER OR TREASURER

Ms. Candace Cole

Name



Signature

November 23, 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 The Board of Trustees of Elk Island Public Schools Regional Division No. 14:

We have audited the accompanying financial statements of The Board of Trustees of Elk Island Public Schools Regional Division No. 14, which comprise the statement of financial position as at August 31, 2017 and the statements of operations, cash flows, change in net financial assets (net debt), and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations, plant operations and maintenance expenses, cash, cash equivalents and portfolio investments, capital assets, and remuneration and monetary incentives for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's 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 conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Board of Trustees of Elk Island Public Schools Regional Division No. 14 as at August 31, 2017 and the results of its operations, cash flows, and change in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements as at and for the year ended August 31, 2016 were audited by other auditors, who expressed an unqualified opinion on those statements in their report dated November 24, 2016.

Leduc, Alberta
November 23, 2017


Chartered Professional Accountants

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

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 14,032,632	\$ 18,215,530
Accounts receivable (net after allowances)	(Note 3)	\$ 5,917,548	\$ 2,506,736
Portfolio investments	(Schedule 5; Note 4)	\$ 15,199,408	\$ 14,999,776
Other financial assets		\$ 6,652	\$ 8,021
Total financial assets		\$ 35,156,240	\$ 35,730,063
LIABILITIES			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 13,471,185	\$ 10,897,024
Deferred revenue	(Note 7)	\$ 110,299,566	\$ 78,877,094
Employee future benefits liabilities		\$ 38,939	\$ 48,645
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 8)		
Supported: Debentures and other supported debt		\$ 48,626	\$ 187,640
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases	(Note 9)	\$ 991,941	\$ 1,764,485
Total liabilities		\$ 124,850,257	\$ 91,774,888
Net financial assets (debt)		\$ (89,694,017)	\$ (56,044,825)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 1,475,856	\$ 1,475,856
Construction in progress		\$ 15,395,693	\$ 2,008,468
Buildings		\$ 183,440,780	
Less: Accumulated amortization		\$ (93,248,980)	\$ 69,804,948
Equipment		\$ 8,214,158	
Less: Accumulated amortization		\$ (4,740,335)	\$ 3,168,099
Vehicles		\$ 2,727,266	
Less: Accumulated amortization		\$ (2,154,980)	\$ 637,819
Computer Equipment		\$ 5,125,692	
Less: Accumulated amortization		\$ (4,218,938)	\$ 1,340,750
Total tangible capital assets		\$ 112,016,212	\$ 78,435,940
Prepaid expenses		\$ 1,356,155	\$ 1,294,224
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 113,372,367	\$ 79,730,164
Accumulated surplus	(Schedule 1; Note 10)	\$ 23,678,350	\$ 23,685,339
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 23,678,350	\$ 23,685,339
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 23,678,350	\$ 23,685,339
Contractual obligations	(Note 11)		
Contingent liabilities	(Note 12)		

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	\$ 181,509,133	\$ 184,536,148	\$ 182,553,611
Other - Government of Alberta	\$ 732,413	\$ 806,486	\$ 1,062,952
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ 52,206	\$ 245,576	\$ 157,031
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 6,217,781	\$ 6,215,927	\$ 6,649,897
Other sales and services	\$ 3,558,471	\$ 3,235,300	\$ 3,454,286
Investment income	\$ 358,941	\$ 385,988	\$ 412,579
Gifts and donations	\$ 920,849	\$ 979,835	\$ 933,022
Rental of facilities	\$ 314,262	\$ 308,652	\$ 283,609
Fundraising	\$ 641,063	\$ 433,991	\$ 516,373
Gains on disposal of capital assets	\$ -	\$ 9,703	\$ 9,786
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 194,305,119	\$ 197,157,606	\$ 196,033,146
EXPENSES			
Instruction - ECS	\$ 8,940,881	\$ 11,006,863	\$ 9,766,462
Instruction - Grades 1 - 12	\$ 147,236,347	\$ 144,253,483	\$ 143,375,179
Plant operations and maintenance (Schedule 4)	\$ 23,459,768	\$ 23,271,876	\$ 23,283,695
Transportation	\$ 11,276,119	\$ 11,078,661	\$ 10,307,853
Board & system administration	\$ 6,564,882	\$ 6,487,271	\$ 6,497,488
External services	\$ 976,304	\$ 1,066,441	\$ 1,129,054
Total expenses	\$ 198,454,301	\$ 197,164,595	\$ 194,359,731
Operating surplus (deficit)	\$ (4,149,182)	\$ (6,989)	\$ 1,673,415

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 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (6,989)	\$ 1,673,415
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 5,242,072	\$ 4,826,675
Gains on disposal of tangible capital assets	\$ (9,703)	\$ (9,786)
Losses on disposal of tangible capital assets	\$ -	\$ 16,246
Expended deferred capital revenue recognition	\$ (3,570,297)	\$ (3,210,451)
Deferred capital revenue write-down / adjustment	\$ -	\$ 918,217
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (3,410,812)	\$ 593,777
Prepays	\$ (61,931)	\$ 19,574
Other financial assets	\$ 1,369	\$ (487)
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ 2,574,161	\$ 2,215,615
Deferred revenue (excluding EDCR)	\$ 13,229,089	\$ 920,351
Employee future benefit liabilities	\$ (9,706)	\$ 16,684
Capital in accounts payable	\$ (3,564,014)	\$ (619,801)
Total cash flows from operating transactions	\$ 10,413,239	\$ 7,360,029
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (15,618,714)	\$ (2,573,970)
Equipment	\$ (1,102,558)	\$ (721,658)
Vehicles	\$ (192,823)	\$ (133,973)
Computer equipment	\$ (144,569)	\$ (545,423)
Net proceeds from disposal of unsupported capital assets	\$ 9,703	\$ 28,100
Capital in accounts payable	\$ 3,564,014	\$ 619,801
Total cash flows from capital transactions	\$ (13,484,947)	\$ (3,327,123)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (6,104,112)	\$ (3,560,227)
Dispositions of portfolio investments	\$ 5,904,480	\$ 4,267,992
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (199,632)	\$ 707,765
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (139,014)	\$ (845,388)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ (772,544)	\$ (772,545)
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (911,558)	\$ (1,617,933)
Increase (decrease) in cash and cash equivalents	\$ (4,182,898)	\$ 3,122,738
Cash and cash equivalents, at beginning of year	\$ 18,215,530	\$ 15,092,792
Cash and cash equivalents, at end of year	\$ 14,032,632	\$ 18,215,530

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
Operating surplus (deficit)	\$ (4,149,182)	\$ (6,989)	\$ 1,673,415
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (22,545,000)	\$ (38,822,344)	\$ (26,508,021)
Amortization of tangible capital assets	\$ 5,223,378	\$ 5,242,072	\$ 4,826,675
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ 952,777
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (17,321,622)	\$ (33,580,272)	\$ (20,728,569)
Changes in:			
Prepaid expenses	\$ -	\$ (61,931)	\$ 19,574
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ (21,470,804)	\$ (33,649,192)	\$ (19,035,580)
Net financial assets (net debt) at beginning of year	\$ (56,044,825)	\$ (56,044,825)	\$ (37,009,245)
Net financial assets (net debt) at end of year	\$ (77,515,629)	\$ (89,694,017)	\$ (56,044,825)

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	\$ 23,685,339	\$ -	\$ 23,685,339	\$ 5,518,360	\$ -	\$ 0	\$ 16,787,942	\$ 1,379,037
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 23,685,339	\$ -	\$ 23,685,339	\$ 5,518,360	\$ -	\$ 0	\$ 16,787,942	\$ 1,379,037
Operating surplus (deficit)	\$ (6,989)		\$ (6,989)			\$ (6,989)		
Board funded tangible capital asset additions				\$ 887,296		\$ (644,159)	\$ (7,327)	\$ (235,810)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ (9,703)		\$ 9,703
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	\$ -			\$ (5,242,072)		\$ 5,242,072		
Capital revenue recognized	\$ -			\$ 3,570,297		\$ (3,570,297)		
Debt principal repayments (unsupported)	\$ -			\$ 772,544		\$ (772,544)		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (1,838,442)	\$ 1,838,442	
Net transfers from operating reserves	\$ -					\$ 1,600,062	\$ (1,600,062)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 23,678,350	\$ -	\$ 23,678,350	\$ 5,506,425	\$ -	\$ 0	\$ 17,018,995	\$ 1,152,930

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	\$ 11,860,604	\$ 1,295,321	\$ 3,406,195	\$ 83,716	\$ 875,011	\$ -	\$ 633,713	\$ -	\$ 12,419	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 11,860,604	\$ 1,295,321	\$ 3,406,195	\$ 83,716	\$ 875,011	\$ -	\$ 633,713	\$ -	\$ 12,419	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ (7,327)	\$ (182,632)	\$ -	\$ (53,178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ 9,703		\$ -		\$ -		\$ -
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	\$ 1,525,835		\$ -		\$ 292,093		\$ -		\$ 20,514	
Net transfers from operating reserves	\$ -		\$ (1,279,273)		\$ -		\$ (320,789)		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 13,379,112	\$ 1,112,689	\$ 2,126,922	\$ 40,241	\$ 1,167,104	\$ -	\$ 312,924	\$ -	\$ 32,933	\$ -

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	\$ 5,332,552	\$ -	\$ -	\$ -	\$ 71,153,095
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 5,332,552	\$ -	\$ -	\$ -	\$ 71,153,095
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 11,229,358				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 2,573,833				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 3,994	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ 145,720
Alberta Infrastructure managed projects					\$ 21,617,960
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (16,171,370)	\$ -	\$ -	\$ -	\$ 16,171,370
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					\$ 3,112,995
Capital revenue recognized - Other Government of Alberta					\$ 447,728
Capital revenue recognized - Other revenue					\$ 9,574
Balance at August 31, 2017	\$ 2,968,367	\$ -	\$ -	\$ -	\$ 105,517,848
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 2,968,367	

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 Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 10,952,685	\$ 134,615,874	\$ 22,119,092	\$ 9,763,494	\$ 6,771,230	\$ 313,773	\$ 184,536,148	\$ 182,553,611
(2) Other - Government of Alberta	\$ -	\$ 337,201	\$ 468,959	\$ -	\$ -	\$ 326	\$ 806,486	\$ 1,062,952
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ -	\$ 111,064	\$ -	\$ 90,477	\$ -	\$ 44,035	\$ 245,576	\$ 157,031
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 44,221	\$ 5,282,475	\$ -	\$ 889,231	\$ -	\$ -	\$ 6,215,927	\$ 6,649,897
(9) Other sales and services	\$ -	\$ 2,737,739	\$ 912	\$ -	\$ 8,134	\$ 488,515	\$ 3,235,300	\$ 3,454,286
(10) Investment income	\$ -	\$ 383,191	\$ -	\$ -	\$ -	\$ 2,797	\$ 385,988	\$ 412,579
(11) Gifts and donations	\$ -	\$ 979,129	\$ -	\$ -	\$ -	\$ 706	\$ 979,835	\$ 933,022
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,652	\$ 308,652	\$ 283,609
(13) Fundraising	\$ -	\$ 433,991	\$ -	\$ -	\$ -	\$ -	\$ 433,991	\$ 516,373
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 9,703	\$ -	\$ -	\$ -	\$ 9,703	\$ 9,786
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 10,996,906	\$ 144,880,664	\$ 22,598,666	\$ 10,743,202	\$ 6,779,364	\$ 1,158,804	\$ 197,157,606	\$ 196,033,146
EXPENSES								
(17) Certificated salaries	\$ 4,856,781	\$ 84,153,868			\$ 841,176	\$ 180,487	\$ 90,032,312	\$ 89,456,241
(18) Certificated benefits	\$ 1,018,796	\$ 18,696,202			\$ 127,311	\$ 36,360	\$ 19,878,669	\$ 20,368,072
(19) Non-certificated salaries and wages	\$ 3,021,142	\$ 19,688,241	\$ 2,852,398	\$ 854,524	\$ 3,552,442	\$ 239,187	\$ 30,207,934	\$ 29,481,546
(20) Non-certificated benefits	\$ 821,909	\$ 5,584,080	\$ 691,640	\$ 186,531	\$ 770,172	\$ 51,950	\$ 8,106,282	\$ 6,964,159
(21) SUB - TOTAL	\$ 9,718,628	\$ 128,122,391	\$ 3,544,038	\$ 1,041,055	\$ 5,291,101	\$ 507,984	\$ 148,225,197	\$ 146,270,018
(22) Services, contracts and supplies	\$ 1,194,212	\$ 14,933,258	\$ 15,866,066	\$ 10,020,714	\$ 1,115,126	\$ 558,457	\$ 43,687,833	\$ 43,209,256
(23) Amortization of supported tangible capital assets	\$ 697	\$ 8,877	\$ 3,560,723	\$ -	\$ -	\$ -	\$ 3,570,297	\$ 3,210,451
(24) Amortization of unsupported tangible capital assets	\$ 93,326	\$ 1,188,957	\$ 291,556	\$ 16,892	\$ 81,044	\$ -	\$ 1,671,775	\$ 1,616,224
(25) Supported interest on capital debt	\$ -	\$ -	\$ 9,493	\$ -	\$ -	\$ -	\$ 9,493	\$ 23,073
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,463
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,246
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 11,006,863	\$ 144,253,483	\$ 23,271,876	\$ 11,078,661	\$ 6,487,271	\$ 1,066,441	\$ 197,164,595	\$ 194,359,731
(31) OPERATING SURPLUS (DEFICIT)	\$ (9,957)	\$ 627,181	\$ (673,210)	\$ (335,459)	\$ 292,093	\$ 92,363	\$ (6,989)	\$ 1,673,415

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	\$ -	\$ 1,784,004	\$ 27,271	\$ -	\$ 1,041,122			\$ 2,852,397	\$ 2,843,815
Uncertificated benefits	\$ -	\$ 420,396	\$ 6,057	\$ -	\$ 265,187			\$ 691,640	\$ 648,880
Sub-total Remuneration	\$ -	\$ 2,204,400	\$ 33,328	\$ -	\$ 1,306,309			\$ 3,544,037	\$ 3,492,695
Supplies and services	\$ 4,727,808	\$ 1,434,900	\$ 81,846	\$ 4,945,162	\$ 130,628			\$ 11,320,344	\$ 11,903,175
Electricity			\$ 1,430,235					\$ 1,430,235	\$ 1,474,352
Natural gas/heating fuel			\$ 711,076					\$ 711,076	\$ 573,682
Sewer and water			\$ 275,377					\$ 275,377	\$ 277,024
Telecommunications			\$ 350,602					\$ 350,602	\$ 423,033
Insurance					\$ 473,957			\$ 473,957	\$ 462,162
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 3,560,724	\$ 3,560,724	\$ 3,206,706
Unsupported						\$ 291,556		\$ 291,556	\$ 285,905
Total Amortization						\$ 291,556	\$ 3,560,724	\$ 3,852,280	\$ 3,492,611
Interest on capital debt									
Supported							\$ 9,493	\$ 9,493	\$ 23,073
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ 1,304,475				\$ 1,304,475	\$ 1,161,888
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 4,727,808	\$ 3,639,300	\$ 2,882,464	\$ 6,249,637	\$ 1,910,894	\$ 291,556	\$ 3,570,217	\$ 23,271,876	\$ 23,283,695
SQUARE METRES									
School buildings								197,609.0	198,775.0
Non school buildings								4,857.0	4,857.0

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 & Cash Equivalents</u>	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 14,032,632	\$ 14,032,632	\$ 18,215,530
Total cash and cash equivalents		<u>\$ 14,032,632</u>	<u>\$ 14,032,632</u>	<u>\$ 18,215,530</u>

<u>Portfolio Investments</u>	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Guaranteed investment certificates	1.70%	15,070,111	15,199,408	15,199,408	14,999,776
Total portfolio investments	<u>1.70%</u>	<u>\$ 15,070,111</u>	<u>\$ 15,199,408</u>	<u>\$ 15,199,408</u>	<u>\$ 14,999,776</u>

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

	2017	2016
Under 1 year	48.0%	41.0%
1 to 5 years	52.0%	59.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

SCHEDULE 6

School Jurisdiction Code: 2195

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

Tangible Capital Assets	2017						2016
	Land	Construction In Progress	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-50 Years	5-25 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 1,475,856	\$ 2,008,468	\$ 160,102,334	\$ 6,989,966	\$ 2,597,923	\$ 4,981,123	\$ 178,155,670
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	14,960,625	22,276,049	1,248,278	192,823	144,569	38,822,344
Transfers in (out)	-	(1,573,400)	1,504,145	69,255	-	-	-
Less disposals including write-offs	-	-	(441,748)	(93,341)	(63,480)	-	(598,569)
Historical cost, August 31, 2017	\$ 1,475,856	\$ 15,395,693	\$ 183,440,780	\$ 8,214,158	\$ 2,727,266	\$ 5,125,692	\$ 216,379,445
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 90,297,386	\$ 3,821,867	\$ 1,960,104	\$ 3,640,373	\$ 99,719,730
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	3,393,342	1,011,809	258,356	578,565	5,242,072
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(441,748)	(93,341)	(63,480)	-	(598,569)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 93,248,980	\$ 4,740,335	\$ 2,154,980	\$ 4,218,938	\$ 104,363,233
Net Book Value at August 31, 2017	\$ 1,475,856	\$ 15,395,693	\$ 90,191,800	\$ 3,473,823	\$ 572,286	\$ 906,754	\$ 112,016,212
Net Book Value at August 31, 2016	\$ 1,475,856	\$ 2,008,468	\$ 69,804,948	\$ 3,168,099	\$ 637,819	\$ 1,340,750	\$ 78,435,940

	2017	2016
Total cost of assets under capital lease	\$ 1,653,235	\$ 2,537,030
Total amortization of assets under capital lease	\$ 661,294	\$ 684,165

Computer hardware and software includes assets under capital lease with a cost of nil [2016 - \$883,795] and accumulated amortization of nil [2016 - \$353,518] at August 31, 2017.

Equipment includes assets under capital lease with a cost of \$1,653,235 [2016 - \$1,653,235] and accumulated amortization of \$661,294 [2016 - \$330,647] at August 31, 2017.

SCHEDULE 7

2195

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	ERIP's / Other Paid	Expenses	Total Excluding Expenses 2017	Total Excluding Expenses 2016
Chair Trina Boymook	1.00	\$42,073	\$1,349	\$4,049		\$5,013	\$47,471	\$47,471
William Gordon	1.00	\$31,357	\$0	\$4,049		\$662	\$35,406	\$35,406
Colleen Holowaychuk	1.00	\$31,357	\$1,093	\$7,025		\$4,174	\$39,475	\$39,475
Barb McNeill	1.00	\$31,357	\$0	\$2,858		\$1,347	\$34,215	\$34,215
Lynn Patterson	1.00	\$31,357	\$0	\$2,858		\$128	\$34,215	\$34,215
Jim Seutter	1.00	\$31,357	\$0	\$4,049		\$1,517	\$35,406	\$35,406
Harvey Stadnick	1.00	\$36,715	\$1,192	\$4,644		\$1,934	\$42,551	\$42,551
Heather Wall	1.00	\$31,357	\$995	\$4,049		\$1,646	\$36,401	\$36,401
Raymond Welsh	1.00	\$31,357	\$1,093	\$7,025		\$2,781	\$39,475	\$39,475
	-	\$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
Subtotal	9.00	\$298,287	\$5,722	\$40,606		\$19,202	\$344,615	\$344,615
Mark Liguori, Superintendent	0.88	\$186,219	\$23,394	\$0	\$10,000	\$6,839	\$219,613	\$260,073
Eileen Zimmerman, Superintendent (Acting)	0.12	\$17,196	\$3,287	\$0	\$0	\$253	\$20,483	\$0
Candace Cole, Treasurer	1.00	\$155,070	\$34,648	\$0	\$0	\$3,443	\$189,718	\$196,988
Dennis Dykau, Corporate Secretary	0.85	\$137,457	\$24,174	\$0	\$0	\$5,031	\$161,631	\$184,453
Dave Antymniuk, Corporate Secretary	0.06	\$11,063	\$1,842	\$0	\$0	\$259	\$12,905	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	914.08	\$89,482,046	\$19,825,972	\$62,839	\$125,492		\$109,496,349	\$109,379,787
Non-certificated - other	493.85	\$29,686,874	\$8,065,912	\$0	\$27,097		\$37,779,883	\$35,904,102
TOTAL FOR THE YEAR ENDED AUGUST 31, 2017	1,419.84	\$119,974,212	\$27,984,951	\$103,445	\$162,589	\$35,027	\$148,225,197	
TOTAL FOR THE YEAR ENDED AUGUST 31, 2016	1,386.41	\$118,639,886	\$27,332,231	\$40,606	\$217,312	\$45,740		\$146,270,018

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

1. Authority and purpose

The Board of Trustees of Elk Island Public Schools Regional Division No. 14 [the "Division"] was established under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3, to provide education programs in the counties of Strathcona No. 20, Lamont No. 30, the western portion of Minburn No. 27, and the City of Fort Saskatchewan.

The Division receives allocations under Education Grants Regulation (AR 120/2008) from the Government of Alberta. The regulation allows for the setting of conditions and use of grant monies. The Division is limited on certain funding allocations and administrative expenses.

2. Summary of significant accounting policies

Basis of presentation and use of estimates

These financial statements have been prepared in accordance with the Chartered Professional Accountants of Canada Public Sector Accounting Standards. 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 which have been made using careful judgment. Significant areas requiring the use of estimates include accrued liabilities and the useful lives of tangible capital assets. Actual results could differ from those estimates. The financial statements have been prepared within the framework of the significant accounting policies summarized below.

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

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

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items upon initial recognition, excluding portfolio investments which are recorded at fair value.

Cash and cash equivalents

Cash and cash equivalents include cash and investments with maturity dates of three months or less.

The Division has invested surplus funds in accordance with Section 60(2)(d) of the *School Act*.

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

2. Summary of significant accounting policies [continued]

Portfolio investments

Portfolio investments consist of guaranteed investment certificates with initial maturity dates in excess of 90 days.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the operating surplus (deficit), provides the change in net financial assets (debt) for the year.

Tangible capital assets

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.

Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.

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 Division are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs. The discount rate used to determine the present value of the lease payments is the lower of the Division's rate for incremental borrowing or the interest rate implicit in the lease.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis as follows:

Buildings	25 to 50 years
Other equipment and furnishings	5 to 25 years
Vehicles and buses	5 to 10 years
Computer hardware and software	3 to 5 years

Only tangible capital assets with costs in excess of \$5,000 are capitalized.

Amortization is not recorded on assets under construction. A full year of amortization is recorded on all tangible capital asset additions in the year the asset is acquired, or in the year construction is completed and the asset is ready for its productive use.

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

2. Summary of significant accounting policies [continued]

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of the Division to provide services or when the value of future economic benefits associated with the assets are less than their net book value. For supported assets, the write-downs are accounted for as reductions to expended deferred capital revenue.

Deferred revenue

Deferred revenue includes contributions received for operations that have stipulations that meet the definition of a liability per *Public Sector Accounting Standards Section PS 3200 - Liabilities*. These contributions are recognized by the 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 represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the 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 *Section PS 3200* when expended.
- Expended deferred capital revenue represents 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 the Division to use the asset in a prescribed manner over the life of the associated asset.

Operating and capital reserves

Operating reserves are established to provide for the costs of future operating expenses. Capital reserves are established to provide for future replacement or upgrading of tangible capital assets. These reserves are established and expended in accordance with policies established by the Board of Trustees or external restrictions specified by the Government of Alberta.

Pensions

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

The Division participates in the multi-employer Local Authorities Pension Plan, which is accounted for as a defined contribution plan with the cost of the pension benefits recognized as contributions are payable. Annual contributions expensed for the year ended August 31, 2017 were \$3,092,533 [2016 – \$2,959,019]. At December 31, 2016, the Local Authorities Pension Plan reported a deficiency of \$637,357,000 [2015 – \$923,416,000].

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

2. Summary of significant accounting policies [continued]

Teachers' Retirement Fund contributions by the Government of Alberta for current service are a component part of education system costs and are formally recognized in the accounts of the school jurisdictions, even though the jurisdictions have no legal obligation to pay these costs. Current service contributions have been recognized as revenue from the Government of Alberta and as certificated benefits expense. Annual contributions by the Government of Alberta for the year ended August 31, 2017 were \$10,258,931 [2016 – \$10,756,903]. At August 31, 2016, the Teachers' Retirement Fund reported a surplus of \$1,238,712,000 [2015 – surplus of \$788,289,000].

Revenue recognition

Instruction grants and fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered. Rental and other sales and services are recognized as revenue as sales and services are provided. Investment income is recognized as revenue on the accrual basis.

Eligibility criteria are criteria that the Division has to meet in order to receive certain contributions. Stipulations describe what the 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. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- Unexpended deferred capital revenue; and
- Expended deferred capital revenue.

Expenses

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

Allocation of expenses

- 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.

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

2. Summary of significant accounting policies [continued]

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 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 and 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. Revenues and expenses associated with being the banker board and administrator for the Regional Collaborative Service Delivery are reported as external services from Alberta Education.

Contributed services

Volunteers assist schools operated by the Division in carrying out certain activities. Because of the difficulty of determining the fair value of such services, and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Trusts under administration

The Division administers funds under trust agreements on behalf of various beneficiaries. Trusts under administration are disclosed in note 14 and excluded from the financial reporting of the Division.

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

3. Accounts receivable

	2017	2016
	\$	\$
Alberta Education – grants	2,210,555	1,530,760
Alberta Education – capital	2,573,833	277,513
Alberta Treasury Board and Finance	50,998	198,101
Government of Canada – Goods and Services Tax	571,908	388,332
Other	510,254	112,030
	5,917,548	2,506,736

4. Portfolio investments

The Division's portfolio investments of \$15,199,408 [2016 – \$14,999,776] consist of guaranteed investment certificates with interest rates ranging from 0.05% to 2.12% [2016 – 0.05% to 4.75%] and maturity dates ranging from September 25, 2017 to April 14, 2020.

5. Bank indebtedness

The Division has a \$5,000,000 revolving credit facility available for operations which bears interest at prime less 0.5% and is due on demand. At August 31, 2017, nil [2016 – nil] was drawn on the facility.

6. Accounts payable and accrued liabilities

	2017	2016
	\$	\$
Accrued vacation pay liabilities	500,027	532,148
Other employee-related accrued liabilities	5,791,228	5,365,448
Trade accounts payable and accrued liabilities	7,179,930	4,999,428
	13,471,185	10,897,024

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

7. Deferred revenue

	2017			
	Beginning balance	Amounts received	Amounts recognized as revenue	Ending balance
	\$	\$	\$	\$
Alberta Education				
Alberta Education – funding	420,761	28,093,960	(28,497,820)	16,901
Educational programming	206	56,510	(56,716)	—
Infrastructure maintenance and renewal	960,082	4,772,055	(4,945,162)	786,975
Other Alberta Education	86,209	614,257	(553,226)	147,240
Other Government of Alberta				
Expecting Respect	1,815	—	(1,815)	—
Post-secondary institutions				
Healthy Schools Initiative	18,967	30,000	(48,967)	—
Google Grant	—	5,000	(3,491)	1,509
Other deferred revenue				
School generated funds	86,077	65,840	(78,537)	73,380
Fees – continuing education	9,437	18,122	(9,460)	18,099
Fees – transportation	749,932	723,238	(755,701)	717,469
Other	57,961	45,655	(51,838)	51,778
Total unexpended deferred operating revenue	2,391,447	34,424,637	(35,002,733)	1,813,351
Unexpended deferred capital revenue	5,332,552	13,807,185	(16,171,370)	2,968,367
Expended deferred capital revenue	71,153,095	37,935,050	(3,570,297)	105,517,848
	78,877,094	86,166,872	(54,744,400)	110,299,566

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

8. Debt

	2017	2016
	\$	\$
<u>Supported</u>		
Debentures, interest rates ranging from 8.125% to 13.98% and maturity dates ranging from 2018 to 2019	48,626	187,640

Payments due over the next two years are as follows:

	Principal	Interest	Total
	\$	\$	\$
2018	34,733	4,107	38,840
2019	13,893	1,129	15,022
	48,626	5,236	53,862

9. Obligation under capital lease

Capital leases are funded by the Division and consist of the following:

	2017	2016
	\$	\$
Computer hardware and software, due 2017 with a net book value of \$353,518 [2016 - \$530,277]	-	441,897
Equipment, due 2020 with a net book value of \$991,941 [2016 - \$1,322,588]	991,941	1,322,588
	991,941	1,764,485

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

9. Obligation under capital lease [continued]

Both leases are non-interest bearing. Payments due over the next three years are as follows:

	\$
2018	330,647
2019	330,647
2020	330,647
	<u>991,941</u>

10. Accumulated surplus

	2017 \$	2016 \$
Reserves for operations	15,236,461	14,717,609
School generated funds	1,782,534	2,070,333
Total operating reserves	<u>17,018,995</u>	16,787,942
Investment in tangible capital assets	5,506,425	5,518,360
Capital reserves	1,152,930	1,379,037
Accumulated surplus	<u>23,678,350</u>	23,685,339

11. Contractual obligations

The Division has contractual obligations and other commitments as follows:

	Building leases \$	Other \$	Total \$
2018	314,034	21,000	335,034
2019	323,785	21,000	344,785
2020	314,366	21,000	335,366
2021	104,991	21,000	125,991
2022	68,183	21,000	89,183
Thereafter	—	26,250	26,250
	<u>1,125,359</u>	131,250	<u>1,256,609</u>

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

11. Contractual obligations [continued]

In addition, the Division has lease commitments in place for two schools. These commitments consist of a fixed annual commitment of \$445,920 [2016 – \$445,920] plus variable annual commitments currently totaling \$743,561 [2016 – \$858,555]. The lease agreements expire in 2032.

12. Contingent liabilities

In the ordinary course of operations various claims and lawsuits are brought against the Division. The ultimate settlement of such matters is not expected to be significant to the overall financial position of the Division. The resolution of such matters and the amount of loss, if any, will be accounted for in the period of determination.

13. School generated funds

	2017 \$	2016 \$
Beginning balance	2,156,410	2,052,487
Fees	3,158,586	3,330,580
Fundraising	433,991	516,373
Gifts and donations	677,602	685,676
Other sales and services	2,374,515	2,561,788
	6,644,694	7,094,417
Uses of funds	(4,776,174)	(4,722,224)
Total direct cost of goods sold to raise funds	(2,169,016)	(2,268,270)
	(6,945,190)	(6,990,494)
Ending balance	1,855,914	2,156,410
Balance included in deferred revenue	73,380	86,077
Balance included in accumulated surplus	1,782,534	2,070,333
	1,855,914	2,156,410

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

14. Trusts under administration

The following trust balances represent assets that are held in trust by the Division but not recorded in the financial statements of the Division.

	2017	2016
	\$	\$
Regional Collaborative Services Delivery ["RCSD"]	575,635	966,758
Scholarship trust funds	147,799	151,244
Other trusts	40,687	43,374
	764,121	1,161,376

The Division administers funds on behalf of the RCSD and, accordingly, amounts held at year-end are restricted in their use. The RCSD is controlled by Government of Alberta departments. During the year, the Division received \$58,983 [2016 – \$57,345] for its fund management services.

15. Elk Island Public Schools Partners in Education Foundation

Elk Island Public Schools Partners in Education Foundation [the "Foundation"] was established under the authority of The *Societies Act* (Alberta) to assist the Division in improving the efficiency with which it carries out its charitable objectives. The Foundation is not a controlled entity and has therefore not been consolidated with the Division's financial information.

16. Statement of cash flows

Supplementary disclosures in respect of the statement of cash flows are as follows:

	2017	2016
	\$	\$
Interest received	397,834	423,822
Interest paid		
Supported	17,582	32,067
Unsupported	—	22,062
	17,582	54,129

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

17. Related party transactions

The Division's primary source of revenue is from the Government of Alberta through its related departments. The Division's ability to continue its operations is dependent on this funding.

Related parties are departments controlled by the Government of Alberta and entities controlled by those departments. The amounts due to and from related parties bear no interest and are unsecured, with no stated terms of repayment. Revenues and expenses are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Balances		Transactions	
	Financial assets \$	Liabilities \$	Revenues \$	Expenses \$
Government of Alberta				
Alberta Education				
Receivables/payables	4,784,388	—	—	—
Deferred revenue	—	951,116	—	—
Unexpended deferred capital revenue	—	2,968,367	—	—
Expended deferred capital revenue	—	102,982,624	—	—
Revenues/expenses	—	—	184,536,148	67,375
Other Alberta school jurisdictions	25,651	53,469	245,576	133,781
Treasury Board and Finance				
Debt principal	48,626	—	—	—
Debt interest	2,372	—	9,493	9,493
Amortization of supported tangible capital assets	—	—	447,728	—
Expended deferred capital revenue	—	2,535,224	—	—
Services, contracts and supplies	—	—	—	872
Alberta Health Services	—	—	285,420	—
Alberta Infrastructure	—	7,659	—	—
Post-secondary institutions	—	1,509	48,967	15,470
Agriculture and Rural Development	—	—	—	12,664
Culture and Tourism	—	—	—	340
Environment and Parks	—	—	—	434
Labour	7,802	—	14,878	—
Other related parties				
Alberta Pension Services Corporation	—	119,214	—	3,092,533
Alberta Capital Finance Authority	—	50,998	—	—
Total 2016-2017	4,868,839	109,670,180	185,588,210	3,332,962
Total 2015-2016	2,006,607	78,286,162	183,773,594	3,222,403

The Board of Trustees of Elk Island Public Schools Regional Division No. 14

Notes to financial statements

August 31, 2017

18. Unaudited information

The unaudited schedule of fees, unaudited schedule of differential funding and unaudited schedule of central administration expenses were prepared by Division administration and approved by the Board of Trustees. Amounts in these schedules are presented for information purposes only and have not been audited.

19. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

20. Budget amounts

The budget was prepared by the Division and approved by the Board of Trustees on June 16, 2016.

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	\$1,041,000	\$889,230	\$0	\$889,230	\$0
Basic Instruction Fees					
Basic instruction supplies	\$1,014,796	\$1,172,410	\$0	\$1,172,410	\$0
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$140,848	\$0	\$140,848	\$0
Fees for optional courses	\$1,289,228	\$969,533	\$0	\$968,144	\$1,389
Activity fees	\$1,133,116	\$1,195,570	\$0	\$1,167,719	\$27,851
Early childhood services	\$0	\$10,020	\$0	\$10,020	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees					
Extracurricular fees	\$737,111	\$807,268	\$0	\$764,120	\$43,148
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$691,142	\$692,603	\$0	\$681,009	\$11,594
Non-curricular goods and services	\$213,734	\$240,988	\$0	\$210,105	\$30,883
Other Fees (describe) Graduation	\$97,654	\$97,457	\$0	\$93,464	\$3,993
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$6,217,781	\$6,215,927	\$0	\$6,097,069	\$118,858

*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 Restated
Cafeteria sales, hot lunch, milk programs	\$921,546	\$978,126
Special events, graduation, tickets	\$565,172	\$635,859
International and out of province student revenue	\$16,001	\$27,387
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$142,260	\$164,276
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$60,215	\$75,486
Lost item replacement fee	\$25,240	\$42,491
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$1,730,434	\$1,923,625

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	857	202	390		
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ 975,467	\$ 4,333,626	\$ 460,048	\$ 10,083,642	\$ 869,836
Other funding allocated by the board to the program	\$ -	\$ 287,052	\$ -	\$ 2,524,482	\$ 6,367,391
TOTAL REVENUES	\$ 975,467	\$ 4,620,678	\$ 460,048	\$ 12,608,124	\$ 7,237,227
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 666,785	\$ 1,381,980	\$ 115,012	\$ 5,710,723	
Instructional non-certificated salaries & benefits	\$ 49,190	\$ 2,964,813	\$ 230,024	\$ 11,251,164	
SUB TOTAL	\$ 715,975	\$ 4,346,793	\$ 345,036	\$ 16,961,887	
Supplies, contracts and services	\$ 129,775	\$ 273,996	\$ 115,012	\$ 388,863	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 845,750	\$ 4,620,789	\$ 460,048	\$ 17,350,750	
NET FUNDING SURPLUS (SHORTFALL)	\$ 129,717	\$ (111)	\$ -	\$ (4,742,626)	

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	\$ 519,064	\$ 58,897	\$ -	\$ 577,961	\$ 237,835	\$ 134,434	\$ -	\$ 950,230
Educational administration (excluding superintendent)	\$ 237,982	\$ 61,212	\$ -	\$ 299,194	\$ 427,126	\$ 135,877	\$ -	\$ 862,197
Business administration	\$ 1,321,740	\$ 184,441	\$ -	\$ 1,506,181	\$ 360,936	\$ 285,142	\$ -	\$ 2,152,259
Board governance (Board of Trustees)	\$ 344,030	\$ 116,755	\$ -	\$ 460,785	\$ -	\$ -	\$ -	\$ 460,785
Information technology	\$ 451,949	\$ 125,334	\$ -	\$ 577,283	\$ 2,137,244	\$ 2,263,081	\$ 3,618	\$ 4,981,226
Human resources	\$ 1,214,946	\$ 90,846	\$ -	\$ 1,305,792	\$ 3,255,464	\$ 104,629	\$ -	\$ 4,665,885
Central purchasing, communications, marketing	\$ 754,252	\$ 67,596	\$ -	\$ 821,848	\$ -	\$ 1,535	\$ -	\$ 823,383
Payroll	\$ 370,434	\$ 11,745	\$ -	\$ 382,179	\$ -	\$ -	\$ -	\$ 382,179
Administration - insurance			\$ 11,684	\$ 11,684			\$ -	\$ 11,684
Administration - amortization			\$ 81,044	\$ 81,044			\$ -	\$ 81,044
Administration - other (admin building, interest)			\$ -	\$ -			\$ -	\$ -
Administration - facility services	\$ 76,704	\$ 386,616	\$ -	\$ 463,320	\$ -	\$ -	\$ -	\$ 463,320
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 5,291,101	\$ 1,103,442	\$ 92,728	\$ 6,487,271	\$ 6,418,605	\$ 2,924,698	\$ 3,618	\$ 15,834,192