

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

**Fort McMurray Roman Catholic Separate School District No. 32**

Legal Name of School Jurisdiction

**9809 Main Street Fort McMurray AB T9H 1T7**

Mailing Address

**(780) 799-5700 / (780) 799-5706 info@fmcsd.ab.ca**

Telephone & Fax Numbers, and Email Address

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

The financial statements of Fort McMurray Roman Catholic Separate School District No. 32 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 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 strict 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**

\_\_\_\_\_  
Mrs. Paula Galenzoski  
Name

\_\_\_\_\_  
"Original Signed"  
Signature

**SUPERINTENDENT**

\_\_\_\_\_  
Mr. George McGuigan  
Name

\_\_\_\_\_  
"Original Signed"  
Signature

**SECRETARY-TREASURER OR TREASURER**

\_\_\_\_\_  
Mr. Francois Gagnon  
Name

\_\_\_\_\_  
"Original Signed"  
Signature

\_\_\_\_\_  
December 18, 2017  
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
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## Independent Auditors' Report

To the Board of Trustees of Fort McMurray Roman Catholic Separate School District No. 32:

We have audited the accompanying financial statements of Fort McMurray Roman Catholic Separate School District No. 32, which comprise the statement of financial position as at August 31, 2017, and the statements of operations, remeasurement gains and losses, changes in net financial assets (net debt) and cash flows 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 information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fort McMurray Roman Catholic Separate School District No. 32 as at August 31, 2017 and the results of its operations, remeasurement gains and losses, changes in net financial assets (net debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Fort McMurray, Alberta

December 18, 2017

*MNP* LLP

Chartered Professional Accountants

**MNP**

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

|   |                       | 2017            | 2016            |
|---|-----------------------|-----------------|-----------------|
| <b>FINANCIAL ASSETS</b>                           |                       |                 |                 |
| Cash and cash equivalents                         | (Schedule 5)          | \$ 36,189,166   | \$ 35,558,401   |
| Accounts receivable (net after allowances)        | (Note 3)              | \$ 5,959,368    | \$ 7,653,801    |
| Portfolio investments                             | (Schedule 5; Note 4)  | \$ 5,022,630    | \$ 4,654,507    |
| Other financial assets                            |                       | \$ -            | \$ -            |
| <b>Total financial assets</b>                     |                       | \$ 47,171,164   | \$ 47,866,709   |
| <b>LIABILITIES</b>                                |                       |                 |                 |
| Bank indebtedness                                 | (Note 5)              | \$ -            | \$ -            |
| Accounts payable and accrued liabilities          | (Note 6)              | \$ 3,562,371    | \$ 2,712,037    |
| Deferred revenue                                  | (Note 7)              | \$ 116,865,289  | \$ 114,524,296  |
| Employee future benefits liabilities              | (Note 8)              | \$ 245,500      | \$ 218,600      |
| Liability for contaminated sites                  |                       | \$ -            | \$ -            |
| Other liabilities                                 |                       | \$ -            | \$ -            |
| Debt  | (Note 9)              |                 |                 |
| Supported: Debentures and other supported debt    |                       | \$ 107,920      | \$ 215,840      |
| Unsupported: Debentures and capital loans         |                       | \$ -            | \$ -            |
| Mortgages   |                       | \$ -            | \$ -            |
| Capital leases                                    |                       | \$ -            | \$ -            |
| <b>Total liabilities</b>                          |                       | \$ 120,781,080  | \$ 117,670,773  |
| <b>Net financial assets (debt)</b>                |                       | \$ (73,609,916) | \$ (69,804,064) |
| <b>NON-FINANCIAL ASSETS</b>                       |                       |                 |                 |
| Tangible capital assets                           | (Schedule 6)          |                 |                 |
| Land  |                       | \$ 393,647      | \$ 393,647      |
| Construction in progress                          |                       | \$ 22,040,044   | \$ 14,091,051   |
| Buildings   |                       | \$ 145,257,850  |                 |
| Less: Accumulated amortization                    |                       | \$ (57,476,669) | \$ 87,781,181   |
| Equipment   |                       | \$ 3,399,642    |                 |
| Less: Accumulated amortization                    |                       | \$ (1,865,961)  | \$ 1,533,681    |
| Vehicles  |                       | \$ 332,472      |                 |
| Less: Accumulated amortization                    |                       | \$ (315,630)    | \$ 16,842       |
| Computer Equipment                                |                       | \$ 8,026,526    |                 |
| Less: Accumulated amortization                    |                       | \$ (6,789,201)  | \$ 1,237,325    |
| <b>Total tangible capital assets</b>              |                       | \$ 113,002,720  | \$ 107,381,507  |
| Prepaid expenses                                  | (Note 10)             | \$ 372,919      | \$ 496,610      |
| Other non-financial assets                        |                       | \$ -            | \$ -            |
| <b>Total non-financial assets</b>                 |                       | \$ 113,375,639  | \$ 107,878,117  |
| <b>Accumulated surplus</b>                        | (Schedule 1; Note 11) | \$ 39,765,723   | \$ 38,074,053   |
| Accumulating surplus / (deficit) is comprised of: |                       |                 |                 |
| Accumulated operating surplus (deficit)           |                       | \$ 39,946,862   | \$ 38,239,688   |
| Accumulated remeasurement gains (losses)          |                       | \$ (181,139)    | \$ (165,635)    |
|   |                       | \$ 39,765,723   | \$ 38,074,053   |
| <b>Contractual obligations</b>                    | (Note 12)             |                 |                 |
| <b>Contingent liabilities</b>                     | (Note 13)             |                 |                 |

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

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

|   | Budget<br>2017 | Actual<br>2017 | Actual<br>2016 |
|---|----------------|----------------|----------------|
| <b>REVENUES</b>                           |                |                |                |
| Alberta Education                         | \$ 75,212,000  | \$ 73,913,685  | \$ 77,291,244  |
| Other - Government of Alberta             | \$ 972,000     | \$ 761,841     | \$ 892,415     |
| Federal Government and First Nations      | \$ 692,000     | \$ 733,565     | \$ 855,250     |
| Other Alberta school authorities          | \$ -           | \$ -           | \$ -           |
| Out of province authorities               | \$ -           | \$ -           | \$ -           |
| Alberta municipalities-special tax levies | \$ -           | \$ -           | \$ -           |
| Property taxes                            | \$ 2,080,000   | \$ 2,507,133   | \$ 1,514,185   |
| Fees (Schedule 8)                         | \$ 841,000     | \$ 850,945     | \$ 1,557,482   |
| Other sales and services                  | \$ 1,790,000   | \$ 1,574,642   | \$ 1,725,348   |
| Investment income                         | \$ 205,000     | \$ 397,792     | \$ 186,196     |
| Gifts and donations                       | \$ 796,000     | \$ 1,384,002   | \$ 1,067,679   |
| Rental of facilities                      | \$ 370,000     | \$ 634,677     | \$ 383,286     |
| Fundraising                               | \$ 485,000     | \$ 636,674     | \$ 394,732     |
| Gains on disposal of capital assets       | \$ -           | \$ -           | \$ -           |
| Other revenue                             | \$ 53,000      | \$ 91,739      | \$ 353,768     |
| <b>Total revenues</b>                     | \$ 83,496,000  | \$ 83,486,695  | \$ 86,221,585  |
| <b>EXPENSES</b>                           |                |                |                |
| Instruction - ECS                         | \$ 9,125,000   | \$ 6,502,733   | \$ 7,355,867   |
| Instruction - Grades 1 - 12               | \$ 57,787,000  | \$ 57,966,589  | \$ 56,218,448  |
| Plant operations and maintenance          | \$ 10,332,000  | \$ 10,192,657  | \$ 9,581,843   |
| Transportation                            | \$ 1,620,000   | \$ 1,743,458   | \$ 1,589,144   |
| Board & system administration             | \$ 2,890,000   | \$ 3,069,359   | \$ 2,520,985   |
| External services                         | \$ 2,444,000   | \$ 2,304,725   | \$ 2,111,975   |
| <b>Total expenses</b>                     | \$ 84,198,000  | \$ 81,779,521  | \$ 79,378,262  |
| <b>Operating surplus (deficit)</b>        | \$ (702,000)   | \$ 1,707,174   | \$ 6,843,323   |

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)  | \$ 1,707,174          | \$ 6,843,323          |
| Add (Deduct) items not affecting cash:                                   |                       |                       |
| Total amortization expense   | \$ 5,225,492          | \$ 5,523,498          |
| Gains on disposal of tangible capital assets                             | \$ -                  | \$ -                  |
| Losses on disposal of tangible capital assets                            | \$ -                  | \$ -                  |
| Expended deferred capital revenue recognition                            | \$ (3,832,878)        | \$ (3,999,013)        |
| Deferred capital revenue write-down / adjustment                         | \$ 6,157,851          | \$ -                  |
| Donations in kind  | \$ -                  | \$ -                  |
| Changes in:  |                       |                       |
| Accounts receivable  | \$ 1,694,433          | \$ 179,833            |
| Prepays  | \$ 123,691            | \$ (390,585)          |
| Other financial assets   | \$ -                  | \$ -                  |
| Non-financial assets   | \$ -                  | \$ -                  |
| Accounts payable, accrued and other liabilities                          | \$ 850,334            | \$ (1,118,733)        |
| Deferred revenue (excluding EDCR)  | \$ (9,350,323)        | \$ 2,223,824          |
| Employee future benefit liabilities                                      | \$ 26,900             | \$ 27,100             |
| Other (describe)   | \$ -                  | \$ -                  |
| <b>Total cash flows from operating transactions</b>                      | <b>\$ 2,602,674</b>   | <b>\$ 9,289,247</b>   |
| <b>B. CAPITAL TRANSACTIONS</b>   |                       |                       |
| Purchases of tangible capital assets                                     |                       |                       |
| Land   | \$ -                  | \$ -                  |
| Buildings  | \$ (1,321,178)        | \$ (18,288)           |
| Equipment  | \$ (36,846)           | \$ (118,738)          |
| Vehicles   | \$ -                  | \$ -                  |
| Computer equipment   | \$ (122,338)          | \$ (106,717)          |
| Net proceeds from disposal of unsupported capital assets                 | \$ -                  | \$ -                  |
| Other  | \$ -                  | \$ -                  |
| <b>Total cash flows from capital transactions</b>                        | <b>\$ (1,480,362)</b> | <b>\$ (243,743)</b>   |
| <b>C. INVESTING TRANSACTIONS</b>   |                       |                       |
| Purchases of portfolio investments                                       | \$ (3,982,154)        | \$ (1,225,001)        |
| Dispositions of portfolio investments                                    | \$ 3,598,527          | \$ -                  |
| Remeasurement (gains) losses reclassified to the statement of operations | \$ -                  | \$ -                  |
| Other (Describe)   | \$ -                  | \$ -                  |
| Other (describe)   | \$ -                  | \$ -                  |
| <b>Total cash flows from investing transactions</b>                      | <b>\$ (383,627)</b>   | <b>\$ (1,225,001)</b> |
| <b>D. FINANCING TRANSACTIONS</b>   |                       |                       |
| Issue of debt  | \$ -                  | \$ -                  |
| Repayment of debt  | \$ (107,920)          | \$ (107,920)          |
| 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>\$ (107,920)</b>   | <b>\$ (107,920)</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>                  | <b>\$ 630,765</b>     | <b>\$ 7,712,583</b>   |
| <b>Cash and cash equivalents, at beginning of year</b>                   | <b>\$ 35,558,401</b>  | <b>\$ 27,845,818</b>  |
| <b>Cash and cash equivalents, at end of year</b>                         | <b>\$ 36,189,166</b>  | <b>\$ 35,558,401</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<br>2017  | 2017            | 2016            |
|---|-----------------|-----------------|-----------------|
| Operating surplus (deficit)                                   | \$ (702,000)    | \$ 1,707,174    | \$ 6,843,323    |
| Effect of changes in tangible capital assets                  |                 |                 |                 |
| Acquisition of tangible capital assets                        | \$ -            | \$ (10,846,705) | \$ (13,672,828) |
| Amortization of tangible capital assets                       | \$ 6,037,214    | \$ 5,225,492    | \$ 5,523,498    |
| Net carrying value of tangible capital assets disposed of     | \$ -            | \$ -            | \$ -            |
| Write-down carrying value of tangible capital assets          | \$ -            | \$ -            | \$ -            |
| Other changes   | \$ -            | \$ -            | \$ -            |
| <b>Total effect of changes in tangible capital assets</b>     | \$ 6,037,214    | \$ (5,621,213)  | \$ (8,149,330)  |
| Changes in:   |                 |                 |                 |
| Prepaid expenses  | \$ -            | \$ 123,691      | \$ (390,585)    |
| Other non-financial assets                                    | \$ -            | \$ -            | \$ -            |
| Net remeasurement gains and (losses)                          |                 |                 |                 |
|   | \$ -            | \$ (15,504)     | \$ (645)        |
| Endowments  | \$ -            | \$ -            | \$ -            |
| <b>Increase (decrease) in net financial assets (net debt)</b> | \$ 5,335,214    | \$ (3,805,852)  | \$ (1,697,237)  |
| <b>Net financial assets (net debt) at beginning of year</b>   | \$ (69,804,064) | \$ (69,804,064) | \$ (68,106,827) |
| <b>Net financial assets (net debt) at end of year</b>         | \$ (64,468,850) | \$ (73,609,916) | \$ (69,804,064) |

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> | \$ (165,635) | \$ (164,990) |
| Prior Period Adj. (Explain) - Linked to Sch. 1                       | \$ -         | \$ -         |
| Prior Period Adjustment (Explain)                                    | \$ -         | \$ -         |
| Unrealized gains (losses) attributable to:                           |              |              |
| Portfolio investments  | \$ (15,504)  | \$ (645)     |
| Other  | \$ -         | \$ -         |
| Amounts reclassified to the statement of operations:                 |              |              |
| Portfolio investments  |              | \$ -         |
| Other  | \$ -         | \$ -         |
| Net remeasurement gains (losses) for the year                        | \$ (15,504)  | \$ (645)     |
| <b>Accumulated remeasurement gains (losses) at end of year</b>       | \$ (181,139) | \$ (165,635) |

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



**SCHEDULE 1**

School Jurisdiction Code:

4160

**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 |
| <b>Balance at August 31, 2016</b>  | \$ 38,074,053       | \$ (165,635)                             | \$ 38,239,688                 | \$ 10,399,220                         | \$ -       | \$ 4,270,966         | \$ 13,149,081            | \$ 10,420,421          |
| <b>Prior period adjustments:</b>   |                     |  |                               |                                       |            |                      |                          |                        |
|  | \$ -                | \$ -                                     | \$ -                          | \$ -                                  | \$ -       | \$ -                 | \$ -                     | \$ -                   |
|  | \$ -                | \$ -                                     | \$ -                          | \$ -                                  | \$ -       | \$ -                 | \$ -                     | \$ -                   |
| <b>Adjusted Balance, August 31, 2016</b>   | \$ 38,074,053       | \$ (165,635)                             | \$ 38,239,688                 | \$ 10,399,220                         | \$ -       | \$ 4,270,966         | \$ 13,149,081            | \$ 10,420,421          |
| Operating surplus (deficit)  | \$ 1,707,174        |  | \$ 1,707,174                  |                                       |            | \$ 1,707,174         |                          |                        |
| Board funded tangible capital asset additions  |                     |  |                               |                                       |            |                      |                          |                        |
| Disposal of unsupported tangible capital assets or board funded portion of supported   | \$ -                |  | \$ -                          | \$ 1,480,362                          |            | \$ (1,480,362)       |                          | \$ -                   |
| Write-down of unsupported tangible capital assets or board funded portion of supported | \$ -                |  | \$ -                          | \$ -                                  |            | \$ -                 |                          | \$ -                   |
| Net remeasurement gains (losses) for the year  | \$ (15,504)         | \$ (15,504)                              |                               |                                       |            |                      |                          | \$ -                   |
| Endowment expenses & disbursements   | \$ -                |  | \$ -                          |                                       | \$ -       | \$ -                 |                          |                        |
| Endowment contributions  | \$ -                |  | \$ -                          |                                       | \$ -       | \$ -                 |                          |                        |
| Reinvested endowment income  | \$ -                |  | \$ -                          |                                       | \$ -       | \$ -                 |                          |                        |
| Direct credits to accumulated surplus (Describe)                                       | \$ -                |  | \$ -                          |                                       | \$ -       | \$ -                 |                          | \$ -                   |
| Amortization of tangible capital assets  | \$ -                |  |                               | \$ (5,225,492)                        |            | \$ 5,225,492         |                          |                        |
| Capital revenue recognized   | \$ -                |  |                               | \$ 3,832,878                          |            | \$ (3,832,878)       |                          |                        |
| Debt principal repayments (unsupported)  | \$ -                |  |                               | \$ -                                  |            | \$ -                 |                          |                        |
| Additional capital debt or capital leases  | \$ -                |  |                               | \$ -                                  |            | \$ -                 |                          |                        |
| Net transfers to operating reserves  | \$ -                |  |                               |                                       |            | \$ (213,313)         | \$ 213,313               |                        |
| Net transfers from operating reserves  | \$ -                |  |                               |                                       |            | \$ 159,699           | \$ (159,699)             |                        |
| Net transfers to capital reserves  | \$ -                |  |                               |                                       |            | \$ (1,731,682)       |                          | \$ 1,731,682           |
| Net transfers from capital reserves  | \$ -                |  |                               |                                       |            | \$ 1,480,362         |                          | \$ (1,480,362)         |
| Assumption/transfer of other operations' surplus                                       | \$ -                |  | \$ -                          | \$ -                                  |            | \$ -                 | \$ -                     | \$ -                   |
| Other Changes  | \$ -                |  | \$ -                          | \$ -                                  |            | \$ -                 | \$ -                     | \$ -                   |
| <b>Balance at August 31, 2017</b>  | \$ 39,765,723       | \$ (181,139)                             | \$ 39,946,862                 | \$ 10,486,968                         | \$ -       | \$ 5,585,458         | \$ 13,202,695            | \$ 10,671,741          |

**SCHEDULE 1**

School Jurisdiction Code: \_\_\_\_\_

4160

**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 | Operating Reserves | Capital Reserves |
| <b>Balance at August 31, 2016</b>   | \$ 11,810,345                             | \$ 4,254,641     | \$ -                     | \$ 3,313,890     | \$ 1,479,435                  | \$ 2,484,840     | \$ (299,539)       | \$ -             | \$ 158,840         | \$ 367,050       |                    |                  |
| <b>Prior period adjustments:</b>  |   |                  |                          |                  |                               |                  |                    |                  |                    |                  |                    |                  |
|   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
|   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| <b>Adjusted Balance, August 31, 2016</b>  | \$ 11,810,345                             | \$ 4,254,641     | \$ -                     | \$ 3,313,890     | \$ 1,479,435                  | \$ 2,484,840     | \$ (299,539)       | \$ -             | \$ 158,840         | \$ 367,050       |                    |                  |
| Operating surplus (deficit)   |   |                  |                          |                  |                               |                  |                    |                  |                    |                  |                    |                  |
| Board funded tangible capital asset additions   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| 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   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ 213,313         | \$ -             | \$ -               | \$ -             |
| Net transfers from operating reserves   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ (159,699)       | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| Net transfers to capital reserves   | \$ -                                      | \$ 535,888       | \$ -                     | \$ 795,502       | \$ -                          | \$ 240,580       | \$ -               | \$ -             | \$ -               | \$ 159,712       | \$ -               | \$ -             |
| Net transfers from capital reserves   | \$ -                                      | \$ -             | \$ -                     | \$ (1,480,362)   | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| Assumption/transfer of other operations' surplus  | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| Other Changes   | \$ -                                      | \$ -             | \$ -                     | \$ -             | \$ -                          | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             | \$ -               | \$ -             |
| <b>Balance at August 31, 2017</b>   | \$ 11,810,345                             | \$ 4,790,529     | \$ -                     | \$ 2,629,030     | \$ 1,479,435                  | \$ 2,725,420     | \$ (459,238)       | \$ -             | \$ 372,153         | \$ 526,762       | \$ -               | \$ -             |

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

|  | Unexpended Deferred Capital Revenue                             |   |   |  | Expended<br>Deferred<br>Capital<br>Revenue |
|--|---|---|---|--|--|
|  | Provincially<br>Approved<br>& Funded<br>Projects <sup>(A)</sup> | Surplus from<br>Provincially<br>Approved<br>Projects <sup>(B)</sup> | Proceeds on<br>Disposal of<br>Provincially<br>Funded<br>Tangible Capital<br>Assets <sup>(C)</sup> | Unexpended<br>Deferred<br>Capital<br>Revenue from<br>Other<br>Sources <sup>(D)</sup> |  |
| <b>Balance at August 31, 2016</b>  | \$ 10,870,155   | \$ -  | \$ -  | \$ -   | \$ 96,982,291                              |
| Prior period adjustments   | \$ -  | \$ -  | \$ -  | \$ -   | \$ -                                       |
| Adjusted balance, August 31, 2016  | \$ 10,870,155   | \$ -  | \$ -  | \$ -   | \$ 96,982,291                              |
| Add:   |   |   |   |  |  |
| Unexpended capital revenue <u>received</u> from:   |   |   |   |  |  |
| Alberta Education school building & modular projects (excl. IMR)                               | \$ -  |   |   |  |  |
| Infrastructure Maintenance & Renewal capital related to school facilities                      | \$ 254,865  |   |   |  |  |
| Other sources:   | \$ -  |   |   | \$ -   |  |
| Other sources:   | \$ -  |   |   | \$ -   |  |
| Unexpended capital revenue <u>receivable</u> from:   |   |   |   |  |  |
| Alberta Education school building & modular (excl. IMR)  | \$ 962,392  |   |   |  |  |
| Other sources:   | \$ -  |   |   | \$ -   |  |
| Other sources:   | \$ -  |   |   | \$ -   |  |
| Interest earned on unexpended capital revenue  | \$ 27,300   | \$ -  | \$ -  | \$ -   |  |
| Other unexpended capital revenue:  |   |   |   | \$ -   |  |
| Proceeds on disposition of supported capital   |   |   | \$ -  | \$ -   |  |
| Insurance proceeds (and related interest)  |   |   | \$ -  | \$ -   |  |
| Donated tangible capital assets:   |   |   |   |  | \$ -                                       |
| Alberta Infrastructure managed projects  |   |   |   |  | \$ 9,366,343                               |
| Transferred in (out) tangible capital assets (amortizable, @ net book value)                   |   |   |   |  | \$ -                                       |
| Expended capital revenue - current year  | \$ (1,321,178)  | \$ -  | \$ -  | \$ -   | \$ 1,321,178                               |
| Surplus funds approved for future project(s)   | \$ -  | \$ -  |   |  |  |
| Other adjustments:   | \$ -  | \$ -  | \$ -  | \$ -   | \$ -                                       |
| <b>Deduct:</b>   |   |   |   |  |  |
| Net book value of supported tangible capital dispositions or write-offs                        |   |   |   |  | \$ -                                       |
| Other adjustments: Holy Trinity High School Project Surplus                                    | \$ 6,157,851  | \$ -  | \$ -  | \$ -   | \$ -                                       |
| Capital revenue recognized - Alberta Education   |   |   |   |  | \$ 3,566,212                               |
| Capital revenue recognized - Other Government of Alberta                                       |   |   |   |  | \$ -                                       |
| Capital revenue recognized - Other revenue   |   |   |   |  | \$ 266,666                                 |
| <b>Balance at August 31, 2017</b>  | \$ 4,635,683  | \$ -  | \$ -  | \$ -   | \$ 103,836,934                             |
|  | (A)   | (B)   | (C)   | (D)  |  |
| <b>Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)</b> |   |   |   |  | \$ 4,635,683                               |

**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)

|  | 2017         |               |                |              |                                  |               |                |                               |                   |       | 2016  |
|--|--------------|---------------|----------------|--------------|----------------------------------|---------------|----------------|-------------------------------|-------------------|-------|-------|
|  | REVENUES     |               | Instruction    |              | Plant Operations and Maintenance |               | Transportation | Board & System Administration | External Services | TOTAL | TOTAL |
|  | ECS          | Grades 1 - 12 |                |              |                                  |               |                |                               |                   |       |       |
| (1) Alberta Education                                    | \$ 6,827,521 | \$ 54,589,584 | \$ 8,218,138   | \$ 1,205,521 | \$ 3,092,921                     | \$ 73,913,685 | \$ 77,291,244  |                               |                   |       |       |
| (2) Other - Government of Alberta                        |              | \$ 211,570    | \$ 19,426      |              |                                  | \$ 530,845    | \$ 892,415     |                               |                   |       |       |
| (3) Federal Government and First Nations                 |              | \$ 623,531    | \$ 73,356      |              |                                  |               | \$ 855,250     |                               |                   |       |       |
| (4) Other Alberta school authorities                     |              |               |                |              |                                  |               |                |                               |                   |       |       |
| (5) Out of province authorities                          |              |               |                |              |                                  |               |                |                               |                   |       |       |
| (6) Alberta municipalities-special tax levies            |              |               |                |              |                                  |               |                |                               |                   |       |       |
| (7) Property taxes                                       | \$ 231,588   | \$ 1,850,986  | \$ 278,757     | \$ 40,891    | \$ 104,911                       | \$ 2,507,133  | \$ 1,514,185   |                               |                   |       |       |
| (8) Fees   |              | \$ 513,598    |                | \$ 337,347   |                                  | \$ 850,945    | \$ 1,557,482   |                               |                   |       |       |
| (9) Other sales and services                             | \$ 144,875   | \$ 64,322     | \$ -           | \$ -         | \$ -                             | \$ 1,365,445  | \$ 1,725,348   |                               |                   |       |       |
| (10) Investment income                                   | \$ 27,013    | \$ 310,652    | \$ 39,725      | \$ -         | \$ 19,777                        | \$ 625        | \$ 186,196     |                               |                   |       |       |
| (11) Gifts and donations                                 |              | \$ 1,137,121  | \$ 62,370      | \$ -         | \$ -                             | \$ 184,511    | \$ 1,067,679   |                               |                   |       |       |
| (12) Rental of facilities                                |              | \$ -          | \$ 198,716     | \$ -         | \$ -                             | \$ 435,961    | \$ 383,286     |                               |                   |       |       |
| (13) Fundraising   |              | \$ 636,023    |                |              |                                  | \$ 651        | \$ 394,732     |                               |                   |       |       |
| (14) Gains on disposal of tangible capital assets        |              |               |                |              |                                  |               |                |                               |                   |       |       |
| (15) Other revenue                                       |              | \$ 36,087     | \$ -           | \$ -         | \$ 55,652                        | \$ -          | \$ 353,768     |                               |                   |       |       |
| (16) <b>TOTAL REVENUES</b>                               | \$ 7,230,997 | \$ 59,953,474 | \$ 8,890,488   | \$ 1,583,759 | \$ 3,309,939                     | \$ 2,518,038  | \$ 86,221,585  |                               |                   |       |       |
| <b>EXPENSES</b>  |              |               |                |              |                                  |               |                |                               |                   |       |       |
| (17) Certificated salaries                               | \$ 2,960,832 | \$ 31,906,877 |                |              | \$ 629,007                       | \$ -          | \$ 35,496,716  | \$ 35,258,127                 |                   |       |       |
| (18) Certificated benefits                               | \$ 596,096   | \$ 6,423,723  |                |              | \$ 136,740                       | \$ -          | \$ 7,156,559   | \$ 7,221,025                  |                   |       |       |
| (19) Non-certificated salaries and wages                 | \$ 1,568,303 | \$ 9,696,296  | \$ 2,453,073   |              | \$ 1,147,870                     | \$ 1,679,020  | \$ 16,544,562  | \$ 16,635,124                 |                   |       |       |
| (20) Non-certificated benefits                           | \$ 307,797   | \$ 1,903,005  | \$ 507,312     |              | \$ 205,573                       | \$ 243,742    | \$ 3,166,151   | \$ 3,166,151                  |                   |       |       |
| (21) SUB - TOTAL   | \$ 5,433,028 | \$ 49,929,901 | \$ 2,960,385   | \$ -         | \$ 2,119,190                     | \$ 1,922,762  | \$ 62,365,266  | \$ 62,280,427                 |                   |       |       |
| (22) Services, contracts and supplies                    | \$ 988,705   | \$ 7,065,294  | \$ 3,177,850   | \$ 1,743,458 | \$ 914,517                       | \$ 190,984    | \$ 14,080,808  | \$ 11,491,264                 |                   |       |       |
| (23) Amortization of supported tangible capital assets   | \$ 37,003    | \$ 443,756    | \$ 3,239,494   |              | \$ -                             | \$ 112,625    | \$ 3,832,878   | \$ 3,999,013                  |                   |       |       |
| (24) Amortization of unsupported tangible capital assets | \$ 41,246    | \$ 494,642    | \$ 795,502     |              | \$ 14,137                        | \$ 47,087     | \$ 1,392,614   | \$ 1,524,485                  |                   |       |       |
| (25) Supported interest on capital debt                  |              | \$ -          | \$ 19,426      |              | \$ -                             | \$ -          | \$ 19,426      | \$ 29,138                     |                   |       |       |
| (26) Unsupported interest on capital debt                |              | \$ -          | \$ -           |              | \$ -                             | \$ -          | \$ -           | \$ -                          |                   |       |       |
| (27) Other interest and finance charges                  | \$ 2,751     | \$ 32,996     | \$ -           |              | \$ 21,515                        | \$ 31,267     | \$ 88,529      | \$ 53,935                     |                   |       |       |
| (28) Losses on disposal of tangible capital assets       | \$ -         | \$ -          | \$ -           |              | \$ -                             | \$ -          | \$ -           | \$ -                          |                   |       |       |
| (29) Other expense                                       | \$ -         | \$ -          | \$ -           |              | \$ -                             | \$ -          | \$ -           | \$ -                          |                   |       |       |
| (30) <b>TOTAL EXPENSES</b>                               | \$ 6,502,733 | \$ 57,966,589 | \$ 10,192,657  | \$ 1,743,458 | \$ 3,069,359                     | \$ 2,304,725  | \$ 81,779,521  | \$ 79,378,262                 |                   |       |       |
| (31) <b>OPERATING SURPLUS (DEFICIT)</b>                  | \$ 728,264   | \$ 1,986,885  | \$ (1,302,169) | \$ (159,699) | \$ 240,580                       | \$ 213,313    | \$ 1,707,174   | \$ 6,843,323                  |                   |       |       |

**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       | \$ 2,034,826 | \$ 218,256   | \$ -                    | \$ -  | \$ 199,991                                    |   |                                   | \$ 2,453,073                          | \$ 2,600,454                          |
| Uncertificated benefits                 | \$ 444,807   | \$ 48,001    | \$ -                    | \$ -  | \$ 14,503                                     |   |                                   | \$ 507,311                            | \$ 536,141                            |
| Sub-total Remuneration                  | \$ 2,479,633 | \$ 266,257   | \$ -                    | \$ -  | \$ 214,494                                    |   |                                   | \$ 2,960,384                          | \$ 3,136,595                          |
| Supplies and services                   | \$ 440,166   | \$ 1,072,983 | \$ -                    | \$ 94,871   | \$ 30,577                                     |   |                                   | \$ 1,638,597                          | \$ 1,227,087                          |
| Electricity                             |              |              | \$ 918,008              |   |   |   |                                   | \$ 918,008                            | \$ 914,210                            |
| Natural gas/heating fuel                |              |              | \$ 289,637              |   |   |   |                                   | \$ 289,637                            | \$ 225,405                            |
| Sewer and water                         |              |              | \$ 55,437               |   |   |   |                                   | \$ 55,437                             | \$ 46,452                             |
| Telecommunications                      |              |              | \$ 7,646                |   |   |   |                                   | \$ 7,646                              | \$ 9,451                              |
| Insurance                               |              |              |                         |   | \$ 268,526                                    |   |                                   | \$ 268,526                            | \$ 195,768                            |
| ASAP maintenance & renewal payments     |              |              |                         |   |   |   | \$ -                              | \$ -                                  | \$ -                                  |
| Amortization of tangible capital assets |              |              |                         |   |   |   |                                   |                                       |                                       |
| Supported                               |              |              |                         |   |   |   | \$ 3,239,494                      | \$ 3,239,494                          | \$ 2,927,610                          |
| Unsupported                             |              |              |                         |   |   | \$ 795,502                                |                                   | \$ 795,502                            | \$ 868,684                            |
| Total Amortization                      |              |              |                         |   |   | \$ 795,502                                | \$ 3,239,494                      | \$ 4,034,996                          | \$ 3,796,294                          |
| Interest on capital debt                |              |              |                         |   |   |   |                                   |                                       |                                       |
| Supported                               |              |              |                         |   |   |   | \$ 19,426                         | \$ 19,426                             | \$ 29,138                             |
| Unsupported                             |              |              |                         |   |   | \$ -                                      |                                   | \$ -                                  | \$ -                                  |
| Lease payments for facilities           |              |              |                         |   |   |   |                                   |                                       |                                       |
| Other interest charges                  |              |              |                         | \$ -  |   |   |                                   | \$ -                                  | \$ -                                  |
| Losses on disposal of capital assets    |              |              |                         |   |   |   |                                   |                                       | \$ 1,444                              |
| <b>TOTAL EXPENSES</b>                   | \$ 2,919,799 | \$ 1,339,240 | \$ 1,270,728            | \$ 94,871   | \$ 513,597                                    | \$ 795,502                                | \$ 3,258,920                      | \$ 10,192,657                         | \$ 9,581,843                          |

| SQUARE METRES        |  |  |  |  |  |  |  |             |             |
|----------------------|--|--|--|--|--|--|--|-------------|-------------|
| School buildings     |  |  |  |  |  |  |  | \$ 64,388.4 | \$ 64,388.4 |
| Non school buildings |  |  |  |  |  |  |  | \$ 2,129.0  | \$ 2,129.0  |

**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  | 1.50%                            | \$ 30,719,849        | \$ 30,719,849        | \$ 17,464,083        |
| Cash equivalents                            |                                  |                      |                      |                      |
| Government of Canada, direct and guaranteed | 0.00%                            | -                    | -                    | 12,666,180           |
| Provincial, direct and guaranteed           | 0.00%                            | -                    | -                    | -                    |
| Corporate                                   | 0.00%                            | -                    | -                    | -                    |
| Municipal                                   | 0.00%                            | -                    | -                    | -                    |
| Pooled investment funds                     | 0.00%                            | -                    | -                    | -                    |
| Other, including GIC's                      | 0.77%                            | 5,469,317            | 5,469,317            | 5,428,138            |
| <b>Total cash and cash equivalents</b>      | <b>1.39%</b>                     | <b>\$ 36,189,166</b> | <b>\$ 36,189,166</b> | <b>\$ 35,558,401</b> |

| <u>Portfolio Investments</u>                | 2017                             |                     |                     |                     | 2016                |
|---|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|   | Average Effective (Market) Yield | Cost                | Fair Value          | Balance             | Balance             |
| Long term deposits                          | 0.00%                            |                     |                     | \$ -                | \$ 10               |
| Guaranteed investment certificates          | 0.00%                            | -                   | -                   | -                   | -                   |
| Fixed income securities                     |                                  |                     |                     |                     |                     |
| Government of Canada, direct and guaranteed | 0.00%                            | \$ -                | \$ -                | \$ -                | \$ -                |
| Provincial, direct and guaranteed           | 0.00%                            | -                   | -                   | -                   | -                   |
| Municipal                                   | 1.25%                            | 3,000,000           | 3,026,712           | 3,026,712           | -                   |
| Corporate                                   | 1.98%                            | 1,000,000           | 1,008,029           | 1,008,029           | 4,654,497           |
| Pooled investment funds                     | 0.00%                            | -                   | -                   | -                   | -                   |
| <b>Total fixed income securities</b>        | <b>1.43%</b>                     | <b>4,000,000</b>    | <b>4,034,741</b>    | <b>4,034,741</b>    | <b>4,654,497</b>    |
| Equities                                    |                                  |                     |                     |                     |                     |
| Canadian                                    | 0.00%                            | \$ 883,372          | \$ 897,279          | \$ 897,279          | \$ -                |
| Foreign                                     | 0.00%                            | 98,781              | 90,600              | 90,600              | -                   |
| <b>Total equities</b>                       | <b>0.00%</b>                     | <b>982,153</b>      | <b>987,879</b>      | <b>987,879</b>      | <b>-</b>            |
| Supplemental integrated pension plan assets | 0.00%                            | \$ -                | \$ -                | \$ -                | \$ -                |
| Restricted investments                      | 0.00%                            | -                   | -                   | -                   | -                   |
| AMMD  | 0.00%                            | 10                  | 10                  | 10                  | -                   |
| Other (Specify)                             | 0.00%                            | -                   | -                   | -                   | -                   |
| <b>Total portfolio investments</b>          | <b>1.15%</b>                     | <b>\$ 4,982,163</b> | <b>\$ 5,022,630</b> | <b>\$ 5,022,630</b> | <b>\$ 4,654,507</b> |

See Note 4 for additional detail.

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

|                | 2017          | 2016          |
|----------------|---------------|---------------|
| Under 1 year   | 75.0%         | 78.3%         |
| 1 to 5 years   | 25.0%         | 21.7%         |
| 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: **4160**

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

|   | 2017       |                          |                          |                         |                        | 2016                                      |                |
|---|------------|--------------------------|--------------------------|-------------------------|------------------------|---|----------------|
|   | Land       | Construction In Progress | Buildings<br>10-50 Years | Equipment<br>5-10 Years | Vehicles<br>5-10 Years | Computer Hardware & Software<br>3-5 Years | Total          |
| <b>Tangible Capital Assets</b>            |            |                          |                          |                         |                        |   |                |
| Estimated useful life                     |            |                          |                          |                         |                        |   |                |
| <b>Historical cost</b>                    |            |                          |                          |                         |                        |   |                |
| Beginning of year                         | \$ 393,647 | \$ 14,091,051            | \$ 143,247,163           | \$ 3,396,630            | \$ 332,472             | \$ 9,902,855                              | \$ 157,690,990 |
| Prior period adjustments                  | -          | -                        | -                        | -                       | -                      | -   | -              |
| Additions                                 | -          | \$7,948,993              | \$2,738,528              | \$36,846                | \$0                    | \$122,338                                 | 13,672,828     |
| Transfers in (out)                        | -          | -                        | -                        | -                       | -                      | -   | -              |
| Less disposals including write-offs       | -          | \$0                      | (\$727,841)              | (\$33,834)              | \$0                    | (\$1,998,667)                             | (2,760,342)    |
| Historical cost, August 31, 2017          | \$ 393,647 | \$ 22,040,044            | \$ 145,257,850           | \$ 3,399,642            | \$ 332,472             | \$ 8,026,526                              | \$ 171,363,818 |
| <b>Accumulated amortization</b>           |            |                          |                          |                         |                        |   |                |
| Beginning of year                         | \$ -       | \$ -                     | \$ 54,056,392            | \$ 1,597,786            | \$ 304,545             | \$ 8,023,588                              | \$ 63,982,311  |
| Prior period adjustments                  | -          | -                        | -                        | -                       | -                      | -   | -              |
| Amortization                              | \$0        | \$0                      | \$4,148,118              | \$302,009               | \$11,085               | \$764,280                                 | 5,523,498      |
| Other additions                           | -          | -                        | -                        | -                       | -                      | -   | -              |
| Transfers in (out)                        | -          | -                        | -                        | -                       | -                      | -   | -              |
| Less disposals including write-offs       | -          | -                        | (\$727,841)              | (\$33,834)              | -                      | (\$1,998,667)                             | (2,760,342)    |
| Accumulated amortization, August 31, 2017 | \$ -       | \$ -                     | \$ 57,476,669            | \$ 1,865,961            | \$ 315,630             | \$ 6,789,201                              | \$ 66,447,461  |
| <b>Net Book Value at August 31, 2017</b>  | \$ 393,647 | \$ 22,040,044            | \$ 87,781,181            | \$ 1,533,681            | \$ 16,842              | \$ 1,237,325                              | \$ 113,002,720 |
| <b>Net Book Value at August 31, 2016</b>  | \$ 393,647 | \$ 14,091,051            | \$ 89,190,771            | \$ 1,798,844            | \$ 27,927              | \$ 1,879,267                              | \$ 107,381,507 |

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

The net book value of construction in progress includes \$22,040,044 (2016 - \$14,091,051) for the construction of a new catholic elementary school in the Parsons Creek sub-division of Fort McMurray. Substantial completion of this project is expected in January 2018 and the Board is planning to start the operation of the school in September 2018 (for School Year 2018-2019).

During the year, construction in progress additions of \$7,948,993 (2016 - \$12,521,799) and building additions of \$1,417,350 (2016 - \$907,286) were purchased directly by the Government of Alberta and therefore are non-cash and have been excluded from the statement of cash flows.





**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* |
|---|---------------------------------|---------------------------------|--|-----------------------------------|--|
| <b>Transportation Fees</b>                    | \$302,000                       | \$337,347                       | \$0                                      | \$337,347                         | \$0                                    |
| <b>Basic Instruction Fees</b>                 |                                 |                                 |  |                                   |  |
| Basic instruction supplies                    | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| <b>Fees to Enhance Basic Instruction</b>      |                                 |                                 |  |                                   |  |
| Technology user fees                          | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| Alternative program fees                      | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| Fees for optional courses                     | \$275,000                       | \$158,089                       | \$0                                      | \$158,089                         | \$0                                    |
| Activity fees                                 | \$0                             | \$23,808                        | \$0                                      | \$23,808                          | \$0                                    |
| Early childhood services                      | \$0                             | \$0                             | \$0                                      | \$0                               | \$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                                    |
| <b>Non-Curricular fees</b>                    |                                 |                                 |  |                                   |  |
| Extracurricular fees                          | \$59,000                        | \$49,377                        | \$0                                      | \$49,377                          | \$0                                    |
| Non-curricular travel                         | \$200,000                       | \$282,324                       | \$0                                      | \$282,324                         | \$0                                    |
| Lunch supervision and noon hour activity fees | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| Non-curricular goods and services             | \$5,000                         | \$0                             | \$0                                      | \$0                               | \$0                                    |
| Other Fees (describe)                         | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| Other Fees (describe)                         | \$0                             | \$0                             | \$0                                      | \$0                               | \$0                                    |
| <b>TOTAL FEES</b>                             | <b>\$841,000</b>                | <b>\$850,945</b>                | <b>\$0</b>                               | <b>\$850,945</b>                  | <b>\$0</b>                             |

\*Unexpended balances cannot be less than \$0

|  | Actual 2017        | Actual 2016      |
|--|--------------------|------------------|
| <b>Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):</b> |                    |                  |
| Cafeteria sales, hot lunch, milk programs  | \$102,200          | \$27,211         |
| Special events, graduation, tickets  | \$129,109          | \$47,362         |
| International and out of province student revenue  | \$31,913           | \$0              |
| Sales or rentals of other supplies/services (clothing, agendas, yearbooks)   | \$62,033           | \$12,191         |
| Adult education revenue  | \$0                | \$0              |
| Preschool  | \$144,875          | \$0              |
| Child care & before and after school care  | \$653,798          | \$575,792        |
| Lost item replacement fee  | \$0                | \$0              |
| Other (Describe)   | \$0                | \$0              |
| Other (Describe)   | \$0                | \$0              |
| Other (Describe)   | \$0                | \$0              |
| <b>TOTAL</b>   | <b>\$1,123,928</b> | <b>\$662,556</b> |

| <b>UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING</b><br>for the Year Ended August 31, 2017 (in dollars) |  |   |   |                                |  |
|--|--|---|---|--------------------------------|--|
|  | <b>PROGRAM AREA</b>                                    |   |   |                                |  |
|  | <b>First Nations,<br/>Metis &amp; Inuit<br/>(FNMI)</b> | <b>ECS Program Unit<br/>Funding (PUF)</b> | <b>English as a<br/>Second Language<br/>(ESL)</b> | <b>Inclusive<br/>Education</b> | <b>Small Schools by<br/>Necessity<br/>(Revenue only)</b> |
| <b>Funded Students in Program</b>  | 704  | 135                                       | 629   |                                |  |
| <b>Federally Funded Students</b>   | 72   |   |   |                                |  |
| <b>REVENUES</b>  |  |   |   |                                |  |
| Alberta Education allocated funding  | \$ 829,382   | \$ 2,346,444                              | \$ 725,708  | \$ 4,679,892                   | \$ -   |
| Other funding allocated by the board to the program  | \$ 171,559   | \$ 133,113                                | \$ 588,197  | \$ 3,755,152                   | \$ -   |
| <b>TOTAL REVENUES</b>  | <b>\$ 1,000,941</b>                                    | <b>\$ 2,479,557</b>                       | <b>\$ 1,313,905</b>                               | <b>\$ 8,435,044</b>            | <b>\$ -</b>  |
| <b>EXPENSES (Not allocated from BASE, Transportation, or other funding)</b>                          |  |   |   |                                |  |
| Instructional certificated salaries & benefits   | \$ 172,900   | \$ 229,045                                | \$ 1,274,466                                      | \$ (642,577)                   |  |
| Instructional non-certificated salaries & benefits   | \$ 720,437   | \$ 1,868,762                              | \$ -  | \$ 8,380,435                   |  |
| <b>SUB TOTAL</b>   | <b>\$ 893,337</b>                                      | <b>\$ 2,097,807</b>                       | <b>\$ 1,274,466</b>                               | <b>\$ 7,737,858</b>            |  |
| Supplies, contracts and services   | \$ 107,604   | \$ 381,750                                | \$ 39,439   | \$ 697,186                     |  |
| Program planning, monitoring & evaluation  | \$ -   | \$ -                                      | \$ -  | \$ -                           |  |
| Facilities (required specifically for program area)  | \$ -   | \$ -                                      | \$ -  | \$ -                           |  |
| Administration (administrative salaries & services)  | \$ -   | \$ -                                      | \$ -  | \$ -                           |  |
| Other (please describe)  | \$ -   | \$ -                                      | \$ -  | \$ -                           |  |
| Other (please describe)  | \$ -   | \$ -                                      | \$ -  | \$ -                           |  |
| <b>TOTAL EXPENSES</b>  | <b>\$ 1,000,941</b>                                    | <b>\$ 2,479,557</b>                       | <b>\$ 1,313,905</b>                               | <b>\$ 8,435,044</b>            |  |
| <b>NET FUNDING SURPLUS (SHORTFALL)</b>   | <b>\$ -</b>  | <b>\$ -</b>                               | <b>\$ -</b>                                       | <b>\$ -</b>                    |  |

**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 |                     |             |                     |
|---|--|---------------------|-------------------|---------------------|-----------------------------|---------------------|-------------|---------------------|
|   | Salaries & Benefits                        | Supplies & Services | Other             | TOTAL               | Salaries & Benefits         | Supplies & Services | Other       | TOTAL               |
| Office of the superintendent                          | \$ 372,486                                 | \$ 18,945           | \$ -              | \$ 391,431          | \$ -                        | \$ -                | \$ -        | \$ 391,431          |
| Educational administration (excluding superintendent) | \$ 590,537                                 | \$ 27,657           | \$ -              | \$ 618,194          | \$ -                        | \$ -                | \$ -        | \$ 618,194          |
| Business administration                               | \$ 423,546                                 | \$ 111,971          | \$ -              | \$ 535,517          | \$ -                        | \$ -                | \$ -        | \$ 535,517          |
| Board governance (Board of Trustees)                  | \$ 68,671                                  | \$ 131,965          | \$ -              | \$ 200,636          | \$ -                        | \$ -                | \$ -        | \$ 200,636          |
| Information technology                                | \$ -                                       | \$ -                | \$ -              | \$ -                | \$ -                        | \$ -                | \$ -        | \$ -                |
| Human resources                                       | \$ 349,239                                 | \$ 197,922          | \$ -              | \$ 547,161          | \$ -                        | \$ -                | \$ -        | \$ 547,161          |
| Central purchasing, communications, marketing         | \$ 96,388                                  | \$ 2,368            | \$ -              | \$ 98,756           | \$ -                        | \$ -                | \$ -        | \$ 98,756           |
| Payroll   | \$ 187,143                                 | \$ 4,897            | \$ -              | \$ 192,040          | \$ -                        | \$ -                | \$ -        | \$ 192,040          |
| Administration - insurance                            |  |                     | \$ 134,002        | \$ 134,002          |                             |                     | \$ -        | \$ 134,002          |
| Administration - amortization                         |  |                     | \$ 14,137         | \$ 14,137           |                             |                     | \$ -        | \$ 14,137           |
| Administration - other (admin building, interest)     |  |                     | \$ 306,304        | \$ 306,304          |                             |                     | \$ -        | \$ 306,304          |
| District Office Reception                             | \$ 31,181                                  | \$ -                | \$ -              | \$ 31,181           | \$ -                        | \$ -                | \$ -        | \$ 31,181           |
| Other (describe)                                      | \$ -                                       | \$ -                | \$ -              | \$ -                | \$ -                        | \$ -                | \$ -        | \$ -                |
| Other (describe)                                      | \$ -                                       | \$ -                | \$ -              | \$ -                | \$ -                        | \$ -                | \$ -        | \$ -                |
| <b>TOTAL EXPENSES</b>                                 | <b>\$ 2,119,191</b>                        | <b>\$ 495,725</b>   | <b>\$ 454,443</b> | <b>\$ 3,069,359</b> | <b>\$ -</b>                 | <b>\$ -</b>         | <b>\$ -</b> | <b>\$ 3,069,359</b> |

# FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32

Notes to Financial Statements  
For the year ended August 31, 2017

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## 1. AUTHORITY AND PURPOSE

The Fort McMurray Roman Catholic Separate School District No. 32 (the "School Board") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The School Board is exempt from income taxes under Section 149 of the Income Tax Act.

The School Board receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The Board 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 CPA 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

The School Board has investments in Guaranteed Investment Certificates ("GIC"), and term deposits that have no maturity dates or a maturity of greater than three months. GIC's, term deposits and investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

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.

Detailed information regarding portfolio investments is disclosed in the Schedule of Cash, Cash Equivalents, and Portfolio Investments (Schedule 5).

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.
- Construction-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School Board to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue (“EDCR”).
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- 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 Board 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, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Board’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, at the following rates:

|                              |                 |
|------------------------------|-----------------|
| Land                         | Not depreciated |
| Buildings                    | 10 – 50 years   |
| Vehicles                     | 5 -10 years     |
| Computer Hardware & Software | 3 – 5 years     |
| Equipment                    | 5 -10 years     |

Construction-in-progress is not amortized until the asset is substantially ready for use. When construction-in-progress is completed and transferred to the applicable asset class, amortization on the asset transferred commences once the asset is in productive use.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e) Deferred revenue

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

Deferred revenue also includes contributions for capital expenditures, unexpended and expended. Unexpended Deferred Capital Revenue ("UDCR") represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Board, 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.

EDCR represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

f) Employee future benefits

The School Board provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts. The School Board accrues its obligations and related costs for vested benefits under employee future benefit plans. The obligation recorded is for the Supplementary Employee Retirement Plan ("SERP").

The SERP is a non-registered retirement program sponsored by the Alberta School Board Association ("ASBA"). It commenced in 2005 and provides supplementary pension benefits to a prescribed class of employees. The SERP supplements the LAPP, ATRF, and the SiPP pension plans. The cost of the SERP post-retirement benefits earned by employees is actuarially determined using the projected-benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees. It is reported as an employee future benefit liability.

g) Operating and capital reserves

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Revenue recognition

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

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

*Eligibility criteria* are criteria that the School Board has to meet in order to receive certain contributions. *Stipulations* describe what the School Board 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 *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; or
- Expended Deferred Capital Revenue.

i) 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.

j) Pensions

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

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 Board is included in both revenues and expenses. For the school year ended August 31, 2017, the amount contributed by the Government was \$3,859,779 (2016 - \$3,969,786).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Pensions (Continued)

The School Board 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 \$1,214,890 for the year ended August 31, 2017 (2016 - \$1,169,182). At December 31, 2016, the Local Authorities Pension Plan reported an actuarial deficiency of \$637,357,000 (2015, deficiency of \$923,416,000).

The Alberta School Boards Association ("ASBA") Supplementary Integrated Pension Plan ("SiPP"), a multi-employer registered defined-benefit pension plan sponsored by the ASBA which is subject to the provisions of the Alberta Employment Pension Plans Act, was effective January 1, 2004. It provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP or the ATRF. The current service contributions in 2017 were \$19,991 (2016 - \$21,497).

k) Program reporting

The School Board'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.

l) Trusts under administration

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

Trusts under administration have been excluded from the financial reporting of the School Board. Trust balances can be found in Note 14.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m) 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 Board 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, bank indebtedness, accounts payable and accrued liabilities, debt and employee future benefit obligation. Unless otherwise noted, it is management's opinion that the School Board 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 in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Gains and losses arising from changes in fair value are recognized in the Statement of Remeasurement Gains and Losses. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

n) Measurement uncertainty (use of estimates)

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 and estimated cost of remediation of buildings.

o) Liability for Contaminated Sites

In June 2010, the Public Sector Accounting Board issued this accounting standard effective for fiscal years starting on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. At August 31, 2017, there is no liability for contaminated sites.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**  
**Notes to Financial Statements**  
**For the year ended August 31, 2017**

**3. ACCOUNTS RECEIVABLE**

|   | 2017                |                                 |                      | 2016                 |
|---|---------------------|---------------------------------|----------------------|----------------------|
|   | Gross Amount        | Allowance for Doubtful Accounts | Net Realizable Value | Net Realizable Value |
| Alberta Education - Grants  | \$ 12,426           | \$ -                            | \$ 12,426            | \$ -                 |
| Alberta Education - Capital   | 1,488,784           | -                               | 1,488,784            | 6,684,243            |
| Alberta Education - WB RCSD   | 637,208             | -                               | 637,208              | 317,779              |
| Treasury Board and Finance - Supported debenture principal            | 107,920             | -                               | 107,920              | 215,840              |
| Treasury Board and Finance - Accrued interest on supported debentures | 9,713               | -                               | 9,713                | 19,426               |
| Government of Alberta - Human Services                                | 22,673              | -                               | 22,673               | -                    |
| Federal government  | 519,154             | -                               | 519,154              | 311,467              |
| Insurance - Fort McMurray Wildfire                                    | 2,657,594           | -                               | 2,657,594            | -                    |
| Other   | 503,896             | -                               | 503,896              | 105,046              |
| Total   | <u>\$ 5,959,368</u> | <u>\$ -</u>                     | <u>\$ 5,959,368</u>  | <u>\$ 7,653,801</u>  |

Includes in accounts receivable are past due amounts of \$1,637,076 (2016 - \$6,619,994) from Alberta Education for capital projects, which are expected to be fully collected.

**4. PORTFOLIO INVESTMENTS**

Portfolio investments are measured at fair value as at August 31, 2017. The difference of \$15,504 (2016 - \$645) between the carrying value and fair value is reported as a remeasurement gain or loss.

**5. BANK INDEBTEDNESS**

At August 31, 2017, the School Board had an approved line of credit totaling \$2,000,000 (2016 - \$2,000,000). Interest is charged at prime plus 0.25% (2016 – prime plus 0.25%). This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the School Board. There is no balance outstanding on the line of credit at August 31, 2017 (2016 - \$nil). At August 31, 2017, prime rate was 2.95% (2016 – 2.70%).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| Alberta Education  | \$ 330,084          | \$ -                |
| Alberta Capital Finance Authority (Interest on long-term debt - Supported) | 9,712               | 19,426              |
| Federal government   | 2,373               | -                   |
| Accrued vacation pay liability   | 428,058             | 453,260             |
| Other salaries & benefit costs   | 1,176,756           | 1,260,982           |
| Other trade payables and accrued liabilities                               | 1,615,388           | 978,369             |
| Total  | <u>\$ 3,562,371</u> | <u>\$ 2,712,037</u> |

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**  
**Notes to Financial Statements**  
**For the year ended August 31, 2017**

**7. DEFERRED REVENUE**

| SOURCE AND GRANT OR FUND TYPE                           | DEFERRED REVENUE as at Aug. 31, 2016 | ADD: 2016/2017 Restricted Funds Received | DEDUCT: 2016/2017 Restricted Funds Expended (Paid / Payable) | DEFERRED REVENUE as at Aug. 31, 2017 |
|---|--------------------------------------|--|--|--------------------------------------|
| <b>Unexpended deferred operating revenue</b>            |                                      |  |  |                                      |
| <b>Alberta Education:</b>                               |                                      |  |  |                                      |
| Regional Collaborative Service Delivery                 | \$ -                                 | \$ 964,622                               | \$ (964,622)   | \$ -                                 |
| Infrastructure Maintenance Renewal                      | 5,182,949                            | 1,595,539                                | (349,734)  | 6,428,754                            |
| SuperNet Service  | -                                    | 124,800                                  | (124,800)  | -                                    |
| Fort McMurray Allowance (FMA)                           | 319,867                              | 7,824,960                                | (7,631,905)  | 512,922                              |
| <b>Other Deferred Revenue:</b>                          |                                      |  |  |                                      |
| School Generated Funds                                  | 588,739                              | 1,016,976                                | (816,736)  | 788,979                              |
| Transportation Fees                                     | 103,080                              | 249,317                                  | (333,734)  | 18,663                               |
| High School Fees  | 14,960                               | 67,102                                   | (23,809)   | 58,253                               |
| High School Athletics & Academies                       | 43,495                               | 280,784                                  | (158,089)  | 166,190                              |
| Suncor Energy Centre for Performing Arts (SECPA)        | 4,669                                | 852,236                                  | (856,905)  | -                                    |
| Early Entry Program                                     | 26,323                               | 158,797                                  | (82,550)   | 102,570                              |
| Donations   | 173,000                              | 1,098,988                                | (970,654)  | 301,334                              |
| Wildfire Insurance Proceeds                             | 214,768                              | -  | (214,768)  | -                                    |
| 3WT Grant   | -                                    | 25,000                                   | (9,993)  | 15,007                               |
| <b>Total unexpended deferred operating revenue</b>      | <b>\$ 6,671,850</b>                  | <b>\$ 14,259,121</b>                     | <b>\$ (12,538,299)</b>                                       | <b>\$ 8,392,672</b>                  |
| <b>Unexpended deferred capital revenue (Schedule 2)</b> | <b>10,870,155</b>                    | <b>1,244,557</b>                         | <b>(7,479,029)</b>   | <b>4,635,683</b>                     |
| <b>Expended deferred capital revenue (Schedule 2)</b>   | <b>96,982,291</b>                    | <b>10,687,521</b>                        | <b>(3,832,878)</b>   | <b>103,836,934</b>                   |
| <b>Total</b>  | <b>\$ 114,524,296</b>                | <b>\$ 26,191,199</b>                     | <b>\$ (23,850,206)</b>                                       | <b>\$ 116,865,289</b>                |

**8. EMPLOYEE FUTURE BENEFIT LIABILITIES**

Employee future benefit liabilities consist of the following:

|   | 2017       | 2016       |
|---|------------|------------|
| Defined benefit pension plan liability (SERP) | \$ 245,500 | \$ 218,600 |

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**

**Notes to Financial Statements  
For the year ended August 31, 2017**

**9. DEBT**

Debenture Debt – Supported

|   | 2017       | 2016       |
|---|------------|------------|
| Debentures outstanding at August 31, 2017 bear interest at 9.00% (2016 – 9.00%). The terms of the loan is 25 years, payments made annually supported by Alberta Education | \$ 107,920 | \$ 215,840 |

The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next year is:

|           | Principal         | Interest        | Total             |
|-----------|-------------------|-----------------|-------------------|
| 2017-2018 | \$ 107,920        | \$ 9,712        | \$ 117,632        |
| Total     | <u>\$ 107,920</u> | <u>\$ 9,712</u> | <u>\$ 117,632</u> |

**10. PREPAID EXPENSES:**

Prepaid Expenses consist of the following:

|                               | 2017              | 2016              |
|-------------------------------|-------------------|-------------------|
| Bull Creek Wind Power Limited | \$ 282,711        | \$ 294,828        |
| SDS Harris Software Inc       | 49,982            | 47,420            |
| Acrodex                       | 15,309            |                   |
| Otis Canada                   | 8,140             | 3,790             |
| Postage by Phone / RMRS       | 94                | 8,320             |
| Prepaid insurance             | -                 | 119,640           |
| Norex Limited                 | 3,931             | 5,264             |
| Mastercard                    | -                 | 6,576             |
| Others                        | 12,752            | 10,772            |
| Total                         | <u>\$ 372,919</u> | <u>\$ 496,610</u> |

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**

Notes to Financial Statements  
For the year ended August 31, 2017

**11. ACCUMULATED SURPLUS**

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

|   | <b>2017</b>          | <b>2016</b>          |
|---|----------------------|----------------------|
| Unrestricted surplus                          | \$ 5,585,458         | \$ 4,270,966         |
| Operating reserves                            | <u>13,202,695</u>    | <u>13,149,081</u>    |
| Accumulated surplus (deficit) from operations | 18,788,153           | 17,420,047           |
| Investment in tangible capital assets         | 10,486,968           | 10,399,220           |
| Capital reserves                              | 10,671,741           | 10,420,421           |
| Accumulated remeasurement gains (losses)      | (181,139)            | (165,635)            |
| Accumulated surplus (deficit)                 | <u>\$ 39,765,723</u> | <u>\$ 38,074,053</u> |

Accumulated surplus (deficit) from operations (ASO) include funds of \$422,343 (2016 - \$476,040) that are raised at school level and are not available to spend at board level. The School Board's adjusted surplus (deficit) from operations is calculated as follows:

|  | <b>2017</b>          | <b>2016</b>          |
|--|----------------------|----------------------|
| Accumulated surplus (deficit) from operations                            | \$ 18,788,153        | \$ 17,420,047        |
| Deduct: School generated funds included in accumulated surplus (Note 14) | <u>422,343</u>       | <u>476,040</u>       |
| Adjusted accumulated surplus (deficit) from operations                   | <u>\$ 18,365,810</u> | <u>\$ 16,944,007</u> |

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

**12. CONTRACTUAL OBLIGATIONS**

|                                       | <b>2017</b>         | <b>2016</b>         |
|---------------------------------------|---------------------|---------------------|
| Service providers - Xerox Canada Ltd. | <u>\$ 1,118,527</u> | <u>\$ 1,525,264</u> |

Estimated payment requirements for each of the next three years are as follows:

|           | <b>Service Providers</b> |
|-----------|--------------------------|
| 2017-2018 | \$ 406,737               |
| 2018-2019 | 406,737                  |
| 2019-2020 | 305,053                  |
|           | <u>\$ 1,118,527</u>      |

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**

**Notes to Financial Statements  
For the year ended August 31, 2017**

**13. CONTINGENT LIABILITIES**

The School Board has been named in two claims of which the outcome is not determinable and no amounts have been specified. It is the opinion of management that the resolution of the claims will not have a material effect on the financial position of the School board. However, should any loss result from their resolution, such amount would be expensed as the related amounts become known.

**14. TRUSTS UNDER ADMINISTRATION**

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

|   | 2017              | 2016                |
|---|-------------------|---------------------|
| Scholarship trusts  | 152,766           | 148,239             |
| NE AB FASD Network - NEAFAN (Banker board)                | 543,791           | 1,105,464           |
| AB Schools Commodity Purchasing Consortium (Banker Board) | -                 | (163,221)           |
| Total   | <u>\$ 696,557</u> | <u>\$ 1,090,482</u> |

**15. SCHOOL GENERATED FUNDS**

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| School Generated Funds, Beginning of Year                      | \$ 1,064,780        | \$ 1,146,664        |
| Gross Receipts:  |                     |                     |
| Fees   | 282,323             | 98,750              |
| Fundraising  | 416,088             | 316,774             |
| Gifts and donations  | 591,087             | 249,523             |
| Grants to schools  | -                   | 345,469             |
| Other sales and services                                       | 154,892             | -                   |
| Total gross receipts   | 1,444,390           | 1,010,516           |
| Total Related Expenses and Uses of Funds                       | 1,297,848           | 1,092,401           |
| Total Direct Costs Including Cost of Goods Sold to Raise Funds | -                   | -                   |
| School Generated Funds, End of Year                            | <u>\$ 1,211,322</u> | <u>\$ 1,064,779</u> |
| Balance included in Deferred Revenue                           | \$ 788,979          | \$ 588,739          |
| Balance included in Accumulated Surplus (Operating Reserves)   | \$ 422,343          | \$ 476,040          |

**FORT MCMURRAY ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 32**

Notes to Financial Statements  
For the year ended August 31, 2017

**16. RELATED PARTY TRANSACTIONS**

All entities that are consolidated in the accounts of the Government of Alberta are related parties of school boards. 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                | \$ 2,138,418                                       | \$ 330,084                      |                      |                 |
| Prepaid expenses / Deferred operating revenue         | -  | 6,941,676                       |                      |                 |
| Unexpended deferred capital revenue                   |  | 4,635,683                       |                      |                 |
| Expended deferred capital revenue                     |  | 103,836,934                     | \$ 3,566,212         |                 |
| Grant revenue & expenses                              |  |                                 | 66,487,694           |                 |
| ATRF payments made on behalf of district              |  |                                 | 3,859,779            |                 |
| <b>Alberta Treasury Board and Finance (Principal)</b> | 107,920  |                                 |                      |                 |
| <b>Alberta Treasury Board and Finance (Accrued)</b>   | 9,713  |                                 | 19,426               |                 |
| <b>Human Services</b>                                 | 22,673   | -                               | 742,415              | -               |
| <b>Other:</b>   |  |                                 |                      |                 |
| Alberta Capital Financing Authority                   |  | 117,633                         |                      | -               |
| Other Related Parties - ATB Financial                 | 34,779,714   | -                               | 393,251              | \$ 8,637        |
| <b>TOTAL 2016/2017</b>                                | <u>\$ 37,058,438</u>                               | <u>\$ 115,862,010</u>           | <u>\$ 75,068,777</u> | <u>\$ 8,637</u> |
| <b>TOTAL 2015/2016</b>                                | <u>\$ 41,092,572</u>                               | <u>\$ 113,590,528</u>           | <u>\$ 78,387,307</u> | <u>\$ 2,646</u> |

**17. ECONOMIC DEPENDENCE ON RELATED PARTY**

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

**18. BUDGET AMOUNTS**

The budget was prepared by the School Board and approved by the Board of Trustees on June 20, 2016.



**19. SIGNIFICANT EVENT**

On May 3, 2016 the City of Fort McMurray experienced a major wild fire event and the city and surrounding area was under a mandatory evacuation from May 3, 2016 to June 1, 2016. All Fort McMurray Catholic Schools were evacuated safely on May 3rd and remained closed for the remainder of the 2015-2016 school year and reopened on September 2nd for the new school year.

Although the School Board did not lose any buildings to the wildfire, all facilities suffered significant smoke damage requiring significant restoration work. While the School Board has completed a substantial portion of the work to restore buildings to pre-fire condition, it is expected that remediation and mitigation efforts will continue into 2018.

The School Board is insured through the Alberta School Board Insurance Exchange ("ASBIE"). This insurance provider has been and will be used to fund the cost of the remediation and recovery efforts.

Costs incurred as a result of remediation or mitigation efforts are capitalized or expensed in accordance with accounting policies in Note 2. Only costs that represent a betterment, enhancement or new asset are capitalized, with repairs and maintenance being expensed.

For the year ended August 31, 2017, ASBIE incurred costs of \$37.2 million (2016 - \$19.3 million) on behalf of the Board, related to remediation and restoration of buildings and equipment. The School Board has determined that this cost is related to remediation and does not represent a betterment to any of its assets. As a result, of \$37.2 million (2016 - \$19.3 million) has been recognized in plant operations and maintenance expense in the Statement of Operations. The offsetting recovery of expenses of the same amount has also been recognized in plant operations and maintenance expense in the Statement of Operations, for a net effect of \$nil for the year ended August 31, 2017.

In addition, the School Board has received an advance from ASBIE in the amount of \$500,000 to offset the cost of replacing supplies that were determined non-restorable in 2016. As of August 31, 2017, expenses totaling \$2,872,362 (2016 - \$292,000) have been incurred against this advance and have been recorded as services, contracts and supplies on the Schedule of Program Operations with an offsetting amount of \$2,872,362 (2016 - \$292,000), with the remaining \$nil (2016 - \$208,000) recorded as deferred revenue and \$2,657,594 is recorded as an account receivable on the Statement of Financial Position.

As of December 14, 2017, ASBIE has projected total remediation cost of \$59 million. Due to significant uncertainty in measurement, as well as significant uncertainty of collectability, the School Board has not recognized the cost it expects to receive in the future related to remediation and mitigation costs. These amounts will be recorded as revenue and expenses in the fiscal year the work is performed.