

**FORT VERMILION SCHOOL DIVISION NO. 52
FINANCIAL STATEMENTS**

AUGUST 31, 2017

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

Fort Vermilion School Division No. 52

Legal Name of School Jurisdiction

P.O. Bag 1 Fort Vermilion AB T0H 1N0

Mailing Address

(780) 927-3766 (780) 927-4625 normanb@fvsd.ab.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Fort Vermilion School Division No. 52 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Mr. Clark McAskile


Name


Signature

SUPERINTENDENT

Mr. Mike McMann

Name


Signature

SECRETARY-TREASURER OR TREASURER

Mr. Norman Buhler

Name


Signature

November 27, 2017

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: EDC.FRA@gov.ab.ca
PHONE: Mel-Ling: (780) 415-8940; Robert: (780) 427-3855 FAX: (780) 422-6996

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Independent Auditors' Report

To the Board of Trustees of Fort Vermilion School Division No. 52:

We have audited the accompanying financial statements of Fort Vermilion School Division No. 52, which comprise the statement of financial position as at August 31, 2017 and the statements of operations, cash flows, change in net financial assets (net debt), and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations, plant operations and maintenance expenses, cash, cash equivalents, and portfolio investments, capital assets, and remuneration and monetary incentives for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Fort Vermilion School Division No. 52 as at August 31, 2017 and the results of its operations, cash flows, and change in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta
November 27, 2017


CHARTERED PROFESSIONAL ACCOUNTANTS

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

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 6,500,968	\$ 5,866,690
Accounts receivable (net after allowances)	(Note 3)	\$ 1,911,568	\$ 2,941,390
Portfolio investments	(Schedule 5)	\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 8,412,536	\$ 8,808,080
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 3,088,162	\$ 3,264,999
Deferred revenue	(Note 5)	\$ 44,040,986	\$ 43,286,105
Employee future benefits liabilities	(Note 6)	\$ 254,078	\$ 199,334
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 7)		
Supported: Debentures and other supported debt		\$ -	\$ 39,633
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 47,383,226	\$ 46,790,071
Net financial assets (debt)		\$ (38,970,690)	\$ (37,981,991)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 712,077	\$ 712,077
Construction in progress		\$ 686,017	\$ 5,482,880
Buildings		\$ 96,813,772	
Less: Accumulated amortization		\$ (51,096,625)	\$ 45,717,147
Equipment		\$ 4,722,413	
Less: Accumulated amortization		\$ (4,347,677)	\$ 374,736
Vehicles		\$ 8,525,665	
Less: Accumulated amortization		\$ (5,368,968)	\$ 3,156,697
Computer Equipment		\$ 3,387,917	
Less: Accumulated amortization		\$ (3,150,450)	\$ 237,467
Total tangible capital assets		\$ 50,884,141	\$ 50,009,779
Prepaid expenses		\$ 225,642	\$ 255,844
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 51,109,783	\$ 50,265,623
Accumulated surplus	(Schedule 1; Note 8)	\$ 12,139,093	\$ 12,283,632
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 12,139,093	\$ 12,283,632
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 12,139,093	\$ 12,283,632
Contractual obligations	(Note 9)		
Contingent liabilities	(Note 10)		

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

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

	Budget 2017	Actual 2017	Actual 2016
REVENUES			
Alberta Education	\$ 46,094,252	\$ 46,318,101	\$ 45,681,300
Other - Government of Alberta	\$ 604,578	\$ 565,110	\$ 590,344
Federal Government and First Nations	\$ 5,359,779	\$ 5,917,928	\$ 5,614,806
Other Alberta school authorities	\$ 165,634	\$ 165,634	\$ 165,634
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 275,000	\$ 294,819	\$ 210,183
Other sales and services	\$ 571,825	\$ 499,662	\$ 593,091
Investment income	\$ 80,000	\$ 70,929	\$ 74,318
Gifts and donations	\$ -	\$ 30,464	\$ 4,770
Rental of facilities	\$ 300,000	\$ 289,689	\$ 302,321
Fundraising	\$ 850,000	\$ 870,020	\$ 942,000
Gains on disposal of capital assets	\$ -	\$ 4,094	\$ 21,327
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 54,301,068	\$ 55,026,450	\$ 54,200,094
EXPENSES			
Instruction - ECS	\$ 1,956,568	\$ 1,894,656	\$ 1,718,312
Instruction - Grades 1 - 12	\$ 38,423,379	\$ 39,535,378	\$ 39,125,734
Plant operations and maintenance	\$ 7,379,573	\$ 7,136,387	\$ 7,172,332
Transportation	\$ 3,357,212	\$ 3,377,697	\$ 3,285,951
Board & system administration	\$ 2,226,353	\$ 2,235,188	\$ 2,277,165
External services	\$ 957,983	\$ 991,683	\$ 969,986
Total expenses	\$ 54,301,068	\$ 55,170,989	\$ 54,549,480
Operating surplus (deficit)	\$ -	\$ (144,539)	\$ (349,386)

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

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

	2017	2016
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (144,539)	\$ (349,386)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 3,213,209	\$ 3,225,955
Gains on disposal of tangible capital assets	\$ (4,094)	\$ (21,327)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (2,198,446)	\$ (2,195,800)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 1,029,822	\$ (1,514,258)
Prepays	\$ 30,202	\$ (110,179)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (176,837)	\$ 135,146
Deferred revenue (excluding EDCR)	\$ 2,953,327	\$ 3,553,750
Employee future benefit liabilities	\$ 54,744	\$ (5,565)
	\$ -	\$ -
Total cash flows from operating transactions	\$ 4,757,388	\$ 2,718,336
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (3,118,159)	\$ (5,463,632)
Equipment	\$ (133,453)	\$ (34,592)
Vehicles	\$ (835,959)	\$ (520,035)
Computer equipment	\$ -	\$ (141,038)
Net proceeds from disposal of unsupported capital assets	\$ 4,094	\$ 106,582
	\$ -	\$ -
Total cash flows from capital transactions	\$ (4,083,477)	\$ (6,052,715)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (39,633)	\$ (67,756)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (39,633)	\$ (67,756)
Increase (decrease) in cash and cash equivalents	\$ 634,278	\$ (3,402,135)
Cash and cash equivalents, at beginning of year	\$ 5,866,690	\$ 9,268,825
Cash and cash equivalents, at end of year	\$ 6,500,968	\$ 5,866,690

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

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

	Budget 2017	2017	2016
Operating surplus (deficit)	\$ -	\$ (144,539)	\$ (349,386)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (1,385,000)	\$ (4,087,571)	\$ (6,251,124)
Amortization of tangible capital assets	\$ 3,245,018	\$ 3,213,209	\$ 3,225,955
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ 85,255
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 1,860,018	\$ (874,362)	\$ (2,939,914)
Changes in:			
Prepaid expenses	\$ -	\$ 30,202	\$ (110,179)
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 1,860,018	\$ (988,699)	\$ (3,399,479)
Net financial assets (net debt) at beginning of year	\$ (37,981,991)	\$ (37,981,991)	\$ (34,582,512)
Net financial assets (net debt) at end of year	\$ (36,121,973)	\$ (38,970,690)	\$ (37,981,991)

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

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

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

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

SCHEDULE 1**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2017 (in dollars)**

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2016	\$ 12,283,632	\$ -	\$ 12,283,632	\$ 7,130,072	\$ -	\$ -	\$ 4,047,093	\$ 1,106,467
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 12,283,632	\$ -	\$ 12,283,632	\$ 7,130,072	\$ -	\$ -	\$ 4,047,093	\$ 1,106,467
Operating surplus (deficit)	\$ (144,539)		\$ (144,539)			\$ (144,539)		
Board funded tangible capital asset additions				\$ 1,275,288		\$ (1,275,288)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ (4,094)		\$ 4,094
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (3,213,209)		\$ 3,213,209		
Capital revenue recognized	\$ -			\$ 2,198,446		\$ (2,198,446)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 409,158	\$ (409,158)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 12,139,093	\$ -	\$ 12,139,093	\$ 7,390,597	\$ -	\$ -	\$ 3,637,935	\$ 1,110,561

SCHEDULE 1

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2016	\$ 4,047,093	\$ 297,508	\$ -	\$ 314,482	\$ -	\$ 188,528	\$ -	\$ 305,949	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 4,047,093	\$ 297,508	\$ -	\$ 314,482	\$ -	\$ 188,528	\$ -	\$ 305,949	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ 213		\$ -		\$ 3,881		\$ -
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	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ (409,158)		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 3,637,935	\$ 297,508	\$ -	\$ 314,695	\$ -	\$ 188,528	\$ -	\$ 309,830	\$ -	\$ -

SCHEDULE 2

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 42,879,599
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ -	\$ -	\$ -	\$ -	\$ 42,879,599
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 1,866,300				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 945,983				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (2,812,283)	\$ -	\$ -	\$ -	\$ 2,812,283
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 2,198,446
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ 43,493,436
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)					\$ -

Unexpended Deferred Capital Revenue

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

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

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

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

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

REVENUES	2017							2016
	Instruction		Plant Operations and	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12	Maintenance					
(1) Alberta Education	\$ 1,895,847	\$ 33,879,320	\$ 6,002,007	\$ 2,314,574	\$ 2,226,353	\$ -	\$ 46,318,101	\$ 45,681,300
(2) Other - Government of Alberta	\$ -	\$ 563,560	\$ 1,550	\$ -	\$ -	\$ -	\$ 565,110	\$ 590,344
(3) Federal Government and First Nations	\$ 90,287	\$ 3,909,205	\$ 441,444	\$ 381,952	\$ 103,357	\$ 991,683	\$ 5,917,928	\$ 5,614,806
(4) Other Alberta school authorities	\$ -	\$ 165,634	\$ -	\$ -	\$ -	\$ -	\$ 165,634	\$ 165,634
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ -	\$ 194,827	\$ -	\$ 99,992	\$ -	\$ -	\$ 294,819	\$ 210,183
(9) Other sales and services	\$ -	\$ 430,603	\$ -	\$ 69,059	\$ -	\$ -	\$ 499,662	\$ 593,091
(10) Investment income	\$ 2,728	\$ 55,008	\$ 9,251	\$ 3,942	\$ -	\$ -	\$ 70,929	\$ 74,318
(11) Gifts and donations	\$ -	\$ 30,464	\$ -	\$ -	\$ -	\$ -	\$ 30,464	\$ 4,770
(12) Rental of facilities	\$ -	\$ -	\$ 289,689	\$ -	\$ -	\$ -	\$ 289,689	\$ 302,321
(13) Fundraising	\$ -	\$ 870,020	\$ -	\$ -	\$ -	\$ -	\$ 870,020	\$ 942,000
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 213	\$ 3,881	\$ -	\$ -	\$ 4,094	\$ 21,327
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 1,988,862	\$ 40,098,641	\$ 6,744,154	\$ 2,873,400	\$ 2,329,710	\$ 991,683	\$ 55,026,450	\$ 54,200,094
EXPENSES								
(17) Certificated salaries	\$ 1,097,283	\$ 20,122,165	\$ -	\$ -	\$ 447,805	\$ 551,397	\$ 22,218,650	\$ 22,194,720
(18) Certificated benefits	\$ 110,166	\$ 4,606,391	\$ -	\$ -	\$ 33,570	\$ 49,177	\$ 4,799,304	\$ 4,817,265
(19) Non-certificated salaries and wages	\$ 498,409	\$ 6,107,088	\$ 1,789,462	\$ 1,810,201	\$ 882,463	\$ 225,353	\$ 11,312,976	\$ 11,334,330
(20) Non-certificated benefits	\$ 89,816	\$ 1,030,676	\$ 318,103	\$ 332,305	\$ 172,500	\$ 43,680	\$ 1,987,080	\$ 1,857,846
(21) SUB - TOTAL	\$ 1,795,674	\$ 31,866,320	\$ 2,107,565	\$ 2,142,506	\$ 1,536,338	\$ 869,607	\$ 40,318,010	\$ 40,204,161
(22) Services, contracts and supplies	\$ 98,982	\$ 7,366,970	\$ 2,679,895	\$ 711,008	\$ 659,289	\$ 122,076	\$ 11,638,220	\$ 11,110,956
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 2,198,446	\$ -	\$ -	\$ -	\$ 2,198,446	\$ 2,195,800
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 302,088	\$ 148,931	\$ 524,183	\$ 39,561	\$ -	\$ 1,014,763	\$ 1,030,155
(25) Supported interest on capital debt	\$ -	\$ -	\$ 1,550	\$ -	\$ -	\$ -	\$ 1,550	\$ 8,408
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 1,894,656	\$ 39,535,378	\$ 7,136,387	\$ 3,377,697	\$ 2,235,188	\$ 991,683	\$ 55,170,989	\$ 54,549,480
(31) OPERATING SURPLUS (DEFICIT)	\$ 94,206	\$ 563,263	\$ (392,233)	\$ (504,297)	\$ 94,522	\$ -	\$ (144,539)	\$ (349,386)

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,213,620	\$ 447,723	\$ -	\$ -	\$ 128,119			\$ 1,789,462	\$ 1,768,119
Uncertificated benefits	\$ 213,054	\$ 73,149	\$ -	\$ -	\$ 31,900			\$ 318,103	\$ 289,824
Sub-total Remuneration	\$ 1,426,674	\$ 520,872	\$ -	\$ -	\$ 160,019			\$ 2,107,565	\$ 2,057,943
Supplies and services	\$ 173,615	\$ 543,980	\$ -	\$ 783,853	\$ 5,234			\$ 1,506,682	\$ 1,643,632
Electricity			\$ 566,493					\$ 566,493	\$ 573,980
Natural gas/heating fuel			\$ 330,884					\$ 330,884	\$ 253,309
Sewer and water			\$ 110,641					\$ 110,641	\$ 149,779
Telecommunications			\$ 8,506					\$ 8,506	\$ 7,855
Insurance					\$ 156,689			\$ 156,689	\$ 156,294
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 2,198,446	\$ 2,198,446	\$ 2,195,800
Unsupported						\$ 148,931		\$ 148,931	\$ 125,332
Total Amortization						\$ 148,931	\$ 2,198,446	\$ 2,347,377	\$ 2,321,132
Interest on capital debt									
Supported							\$ 1,550	\$ 1,550	\$ 8,408
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 1,600,289	\$ 1,064,852	\$ 1,016,524	\$ 783,853	\$ 321,942	\$ 148,931	\$ 2,199,996	\$ 7,136,387	\$ 7,172,332
SQUARE METRES									
School buildings								47,809.7	47,459.7
Non school buildings								3,690.0	3,690.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocation & Lease Pmts: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects, modular unit (portable) relocation, and payments on leased facilities.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Unsupported Amortization & Other Expenses: All expenses related to unsupported capital assets amortization and interest on unsupported capital debt.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2017 (in dollars)**

Cash & Cash Equivalents	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 6,500,968	\$ 6,500,968	\$ 5,866,690
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 6,500,968	\$ 6,500,968	\$ 5,866,690

Portfolio Investments	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	0.00%	-	-	-	-
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	0.00%	\$ -	\$ -	\$ -	\$ -

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

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

SCHEDULE 6

School Jurisdiction Code: 1250

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

<u>Tangible Capital Assets</u>	2017						2016
	Land	Construction In Progress	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			10-40 Years	5-20 Years	5-10 Years	5 Years	
Historical cost							
Beginning of year	\$ 712,077	\$ 5,482,880	\$ 88,898,751	\$ 4,595,375	\$ 8,032,834	\$ 3,387,917	\$ 111,109,834
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	686,017	2,432,141	133,453	835,959	-	4,087,570
Transfers in (out)	-	(5,482,880)	5,482,880	-	-	-	-
Less disposals including write-offs	-	-	-	(6,415)	(343,128)	-	(349,543)
Historical cost, August 31, 2017	\$ 712,077	\$ 686,017	\$ 96,813,772	\$ 4,722,413	\$ 8,525,665	\$ 3,387,917	\$ 114,847,861
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 48,747,576	\$ 4,262,594	\$ 5,112,619	\$ 2,977,266	\$ 61,100,055
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	2,349,049	91,498	599,477	173,184	3,213,208
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(6,415)	(343,128)	-	(349,543)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 51,096,625	\$ 4,347,677	\$ 5,368,968	\$ 3,150,450	\$ 63,963,720
Net Book Value at August 31, 2017	\$ 712,077	\$ 686,017	\$ 45,717,147	\$ 374,736	\$ 3,156,697	\$ 237,467	\$ 50,884,141
Net Book Value at August 31, 2016	\$ 712,077	\$ 5,482,880	\$ 40,151,175	\$ 332,781	\$ 2,920,215	\$ 410,651	\$ 50,009,779

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

SCHEDULE 7

School Jurisdiction Code: 1250

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Clark McAskile	1.00	\$17,275	\$832	\$0			\$0	\$6,260
Dale Lederer	1.00	\$14,112	\$607	\$0			\$0	\$4,594
Keith Lambert	1.00	\$15,225	\$545	\$0			\$0	\$7,089
Richard Marshall	0.25	\$2,700	\$110	\$0			\$0	\$413
Marc Beland	1.00	\$14,475	\$756	\$0			\$0	\$3,768
Ernest Kroeker	1.00	\$11,525	\$516	\$0			\$0	\$3,908
Henry Goertzen	1.00	\$13,975	\$650	\$0			\$0	\$10,092
Tim Driedger	1.00	\$12,300	\$559	\$0			\$0	\$1,870
Terence Meneen	1.00	\$11,800	\$531	\$0			\$0	\$1,888
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
Subtotal	8.25	\$113,387	\$5,106	\$0			\$0	\$39,882
Roger Clarke, Superintendent	0.95	\$267,605	\$38,120	\$15,000	\$0	\$0	\$0	\$19,333
Mike McMann, Superintendent	0.05	\$9,485	\$1,959	\$0	\$0	\$0	\$0	\$1,509
Norman Buhler, Secretary/Treasurer	1.00	\$168,139	\$38,402	\$15,000	\$0	\$0	\$0	\$11,803
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	-	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	227.83	\$21,941,560	\$4,744,225	\$0	\$0	\$0	\$0	
Non-certificated - other	264.28	\$11,031,450	\$1,928,572	\$0	\$0	\$0	\$0	
TOTALS	502.36	\$33,531,626	\$6,756,384	\$30,000	\$0	\$0	\$0	\$72,527

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

1. AUTHORITY AND PURPOSE

Fort Vermilion School Division No. 52 (the "School Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CPA Canada 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) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

b) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the School Division are considered capital leases. 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 Division's rate for incremental borrowing or the interest rate implicit in the lease.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates. No amortization is recorded in the year of acquisition:

Buildings	10 to 40 years
Equipment	5 to 20 years
Vehicles	5 to 10 years
Computer hardware and software	5 years
Construction in progress	not amortized

c) 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 as deferred revenue by the School Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

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

- Unexpended Deferred Capital Revenue

Unexpended Deferred Capital Revenue represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.

- Expended Deferred Capital Revenue

Expended Deferred Capital Revenue represents 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 Division use the asset in a prescribed manner over the life of the associated asset.

d) Employee Future Benefit Liability

The School Division provides certain post-employment and retirement benefits including a Health Spending Account for employees pursuant to certain contract agreements. The School Division accrues its obligations and related costs under employee future benefit liabilities. The future benefits cost is determined using data provided from the benefit provider on the accessible benefits to the School Division's qualifying employees as of August 31, 2017.

The School Division provides benefits including allowing employees to accumulate holidays and carry them forward into the future pursuant to certain contract agreements. The School Division accrues its obligation and related costs under employee future benefit liabilities. The future benefit cost is determined using carry-forward holidays salary cost as at August 31, 2017.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into the air, soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. At August 31, 2017 there is no liability for contaminated sites.

f) Operating and Capital Reserves

Certain amounts are internally 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.

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

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with 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.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) 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.

i) Pensions

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

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers Pension Plan Act*, the School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the School Division is included in both revenue and expenses. For the year ended August 31, 2017, the amount contributed by the Government was \$2,555,195 (2016 - \$2,654,604).

The School Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$79,875 for the year ended August 31, 2017 (2016 - \$76,555). At December 31, 2016, the Local Authorities Pension Plan reported an actuarial deficiency of \$637,357,000 (2015 - deficiency of \$923,416,000).

The School Division also participates in the registered Supplemental Integrated Pension Plan (SiPP). This multi-employer plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teachers Retirement Fund. The expense for this pension plan is equivalent to the annual contributions of \$27,859 for the year ended August 31, 2017 (2016 - \$36,456). There are three employees who are eligible to participate in the plan; all are currently participating.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Program Reporting

The School Division's operations have been segmented into operating segments established to facilitate the achievement of the School Division's long-term objectives to aid in resource allocation decisions, and to assess operational performance. The segments are differentiated by major activity as follows:

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

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

k) Trusts Under Administration

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

Trusts under administration have been excluded from the financial reporting of the School Division. Trust balances can be found in Note 11.

l) 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, useful lives of tangible capital assets, collectability of accounts receivable and estimated employee future benefits.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

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

The School Division's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, employee future benefit liabilities and debt. Unless otherwise indicated, it is management's opinion that the School Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

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

3. ACCOUNTS RECEIVABLE

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ -
Alberta Education - Capital	1,294,574	-	1,294,574	2,202,576
Alberta Education - IMR	-	-	-	-
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance	-	-	-	42,004
Alberta Health & Wellness	-	-	-	-
Alberta Health Services	-	-	-	-
Innovation & Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Federal government	383,470	-	383,470	323,135
Municipalities	-	-	-	-
First Nations	-	-	-	-
Foundations	-	-	-	-
Other	233,524	-	233,524	373,675
Total	\$ 1,911,568	\$ -	\$ 1,911,568	\$ 2,941,390

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Alberta Education	\$ 252,594	\$ 135,086
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	2,371
Alberta Capital Finance Authority (Interest on long-term debt - Unsupported)	-	-
Alberta Health & Wellness	-	-
Alberta Health Services	-	-
Innovation & Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Federal government	551,533	568,487
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Accrued vacation pay liability	-	-
Other salaries & benefit costs	277,408	438,070
Other trade payables and accrued liabilities	2,006,627	2,120,985
Total	<u>\$ 3,088,162</u>	<u>\$ 3,264,999</u>

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

5. DEFERRED REVENUE

Deferred revenue consists of revenue that has not yet been allocated to specific activities, revenue that has been allocated to activities to be carried out in future years, and the unexpended portion of revenue on activities in progress at August 31, 2017. The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2016	ADD: 2016/2017 Restricted Funds Received/ Receivable	DEDUCT: 2016/2017 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2016/2017 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2017
Unexpended deferred operating revenue					
Alberta Education:					
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -	\$ -
Children and Youth with Complex Needs	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renewal	198,059	928,293	(783,853)	-	342,499
Institutional Education Programs	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Building Collaboration & Capacity in Education	79,730	136,680	(151,426)	-	64,984
Other Alberta Education def'd revenue	11,240	-	-	-	11,240
Other Government of Alberta:					
Child Circle	28,544	301,570	(300,360)	-	29,754
	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	-	-	-	-	-
Urban Bussing	18,762	21,811	(18,762)	-	21,811
Wellness Fund Project	12,661	-	-	-	12,661
Dual Credit Project	32,354	-	(32,354)	-	-
Little Green Thumbs	3,721	-	(1,079)	-	2,642
Tall Cree First Nation	21,435	61,959	(21,435)	-	61,959
Total unexpended deferred operating revenue	\$406,506	\$ 1,450,313	\$ (1,309,269)	\$ -	\$ 547,550
Unexpended deferred capital revenue	-	2,812,283	(2,812,283)	-	-
Expended deferred capital revenue	42,879,599	2,812,283	(2,198,446)	-	43,493,436
Total	\$43,286,105	\$ 7,074,879	\$ (6,319,998)	\$ -	\$44,040,986

Deferred revenue represents the liability that the School Division has to either perform additional work on a particular activity or repay the revenue to the funding body.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

6. EMPLOYEE FUTURE BENEFIT LIABILITIES

	2017	2016
Defined benefit pension plan liability	\$ -	\$ -
Accumulated sick pay liability	-	-
Accumulated vacation pay liability	50,318	48,100
Post-employment benefits	-	-
Retirement allowances	-	-
Other termination benefits	-	-
Educational subsidy surplus	-	-
Personal professional development fund	-	-
Other employee future benefits	203,760	151,234
Total	\$ 254,078	\$ 199,334

7. DEBT

	2017	2016
There is no outstanding debt as of August 31, 2017		
The debentures are fully supported by Alberta Finance.		
Cash Interest paid on long-term debt during 2017 was		
\$3,921 (2016 - \$10,900).	\$ -	\$ 39,633
Total	\$ -	\$ 39,633

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

8. ACCUMULATED SURPLUS

The School Division's accumulated surplus is summarized as follows:

	2017	2016
Unrestricted surplus	\$ -	\$ -
Operating reserves	<u>3,637,935</u>	<u>4,047,093</u>
Accumulated surplus (deficit) from operations	3,637,935	4,047,093
Investment in tangible capital assets	7,390,597	7,130,072
Capital reserves	1,110,561	1,106,467
Endowments	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 12,139,093</u>	<u>\$ 12,283,632</u>

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

	2017	2016
Accumulated surplus (deficit) from operations	\$ 3,637,935	\$ 4,047,093
Deduct: School generated funds in accumulated surplus	<u>478,326</u>	<u>425,006</u>
Adjusted accumulated surplus (deficit) ⁽¹⁾	<u>\$ 3,159,609</u>	<u>\$ 3,622,087</u>

(1) Adjusted accumulated surplus represents funding available for use by the School Division after deducting funds committed for use by the schools.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

9. CONTRACTUAL OBLIGATIONS

	2017	2016
Building projects	\$ -	\$ 1,643,205
Building leases ⁽¹⁾	269,733	488,282
Service providers ⁽²⁾	188,580	415,076
Other (Specify)	-	-
Other	-	-
Total	\$ 458,313	\$ 2,546,563

⁽¹⁾ Building leases: The School Division is committed to lease space for instructional space and staff residences.

⁽²⁾ Service providers: As at August 31, 2017, the School Division has \$188,580 (2016 - \$415,076) in commitments relating to service and grant contracts.

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2017-18	-	189,093	188,580	-	-
2018-19	-	80,640	-	-	-
2019-20	-	-	-	-	-
2020-21	-	-	-	-	-
Thereafter	-	-	-	-	-
	\$ -	\$ 269,733	\$ 188,580	\$ -	\$ -

10. CONTINGENT LIABILITIES

The School Division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements, as the value of equity is subject to liability claims.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

11. TRUSTS UNDER ADMINISTRATION

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

	2017	2016
Deferred salary leave plan	\$ -	\$ -
Scholarship trusts	\$ -	\$ -
Regional Collaborative Service Delivery (Banker board)	\$ 105,718	\$ 98,356
Regional Learning Consortium (Banker board)	\$ -	\$ -
Divisional Bursaries	\$ 17,150	\$ 17,150
Northern Teacher Bursaries Program	\$ 349,408	\$ 378,815
Northern Student Teacher Practicum Program	\$ 41,617	\$ 59,735

12. SCHOOL GENERATED FUNDS

	2017	2016
School Generated Funds, Beginning of Year	\$ 425,006	\$ 450,957
Gross Receipts:		
Fees	135,491	33,719
Fundraising	873,721	942,000
Gifts and donations	18,058	4,770
Grants to schools	12,300	-
Other sales and services	233,191	246,909
Total gross receipts	1,272,761	1,227,398
Total Related Expenses and Uses of Funds		
	460,242	484,325
Total Direct Costs Including Cost of Goods Sold to Raise Funds	759,199	769,024
School Generated Funds, End of Year		
	<u>\$ 478,326</u>	<u>\$ 425,006</u>
Balance included in Deferred Revenue		
	\$ -	\$ -
Balance included in Accumulated Surplus (Operating Reserves)		
	\$ 478,326	\$ 425,006

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

13. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 1,294,574	\$ 252,594		
Prepaid expenses / Deferred operating revenue	-	418,723		
Unexpended deferred capital revenue	-	-		
Expended deferred capital revenue		43,493,436	2,198,446	
Grant revenue & expenses			41,564,460	
ATRF payments made on behalf of Division			2,555,195	
Other revenues & expenses			-	-
Other Alberta school jurisdictions	-	-	165,634	-
Treasury Board and Finance (Principal)	-			
Treasury Board and Finance (Accrued interest)	-		1,550	
Alberta Health	-	-	-	-
Alberta Health Services	-	-	263,200	-
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other GOA ministry - Child Circle	-	29,754	300,360	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministries	-	-	-	-
Other:				
Alberta Capital Financing Authority				
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2016/2017	<u>\$ 1,294,574</u>	<u>\$ 44,194,507</u>	<u>\$47,048,845</u>	<u>\$ -</u>
TOTAL 2015/2016	<u>\$ 2,244,580</u>	<u>\$ 43,374,262</u>	<u>\$46,437,278</u>	<u>\$ -</u>

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2017

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

15. FINANCIAL INSTRUMENTS

CREDIT CONCENTRATION

Accounts receivable from the provincial government in connection with grant revenue represents 68% (2016 - 76%) of total accounts receivable as at August 31, 2017. The School Division believes that there is minimal risk associated with the collection of these amounts as they are from government bodies. Allowances for potentially uncollectible accounts receivable are considered each year.

16. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on June 15, 2016.

SCHEDULE 8

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

	Budgeted Fee Revenues 2016/2017	Actual Fees Collected 2016/2017	Unexpended Balance at September 1, 2016*	Actual Fee Expenditures 2016/2017	Unexpended Balance at August 31, 2017*
Transportation Fees	\$100,000	\$99,992	\$0	\$278,163	\$0
Basic Instruction Fees					
Basic instruction supplies	\$90,000	\$45,204	\$0	\$88,867	\$0
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$10,000	\$14,131	\$0	\$90,171	\$0
Activity fees	\$0	\$0	\$0	\$0	\$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
Non-Curricular fees					
Extracurricular fees	\$75,000	\$135,492	\$0	\$124,864	\$10,628
Non-curricular travel	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$275,000	\$294,819	\$0	\$582,065	\$10,628

*Unexpended balances cannot be less than \$0

Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):	Actual 2017	Actual 2016
Cafeteria sales, hot lunch, milk programs	\$233,191	\$246,909
Special events, graduation, tickets	\$0	\$0
International and out of province student revenue	\$0	\$0
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$0	\$0
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$233,191	\$246,909

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	616	65	462		
Federally Funded Students	407				
REVENUES					
Alberta Education allocated funding	\$ 723,942	\$ 903,897	\$ 525,433	\$ 4,209,480	\$ 1,555,491
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 723,942	\$ 903,897	\$ 525,433	\$ 4,209,480	\$ 1,555,491
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 27,102	\$ -	\$ -	\$ 1,321,041	
Instructional non-certificated salaries & benefits	\$ 173,640	\$ 588,226	\$ 139,384	\$ 2,683,311	
SUB TOTAL	\$ 200,742	\$ 588,226	\$ 139,384	\$ 4,004,352	
Supplies, contracts and services	\$ 57,815	\$ 63,078	\$ 4,713	\$ 227,599	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ 321,853	
Initiative Programing	\$ 495,268	\$ -	\$ 151,943	\$ 504,250	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 753,825	\$ 651,304	\$ 296,040	\$ 5,058,054	
NET FUNDING SURPLUS (SHORTFALL)	\$ (29,883)	\$ 252,593	\$ 229,393	\$ (848,574)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2017 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 386,871	\$ 52,509	\$ -	\$ 439,380	\$ -	\$ -	\$ -	\$ 439,380
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ 481,977	\$ 75,929	\$ -	\$ 557,906
Business administration	\$ 566,063	\$ 356,296	\$ -	\$ 922,359	\$ -	\$ -	\$ -	\$ 922,359
Board governance (Board of Trustees)	\$ 118,444	\$ 138,714	\$ -	\$ 257,158	\$ -	\$ -	\$ -	\$ 257,158
Information technology	\$ -	\$ -	\$ -	\$ -	\$ 515,263	\$ 575,754	\$ 76,860	\$ 1,167,877
Human resources	\$ 319,603	\$ 49,846	\$ -	\$ 369,449	\$ -	\$ -	\$ -	\$ 369,449
Central purchasing, communications, marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll	\$ 145,357	\$ -	\$ -	\$ 145,357	\$ -	\$ -	\$ -	\$ 145,357
Administration - insurance			\$ 60,174	\$ 60,174			\$ -	\$ 60,174
Administration - amortization			\$ 39,561	\$ 39,561			\$ -	\$ 39,561
Administration - other (admin building, interest)			\$ 1,750	\$ 1,750			\$ -	\$ 1,750
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,536,338	\$ 597,365	\$ 101,485	\$ 2,235,188	\$ 997,240	\$ 651,683	\$ 76,860	\$ 3,960,971