

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

AUGUST 31, 2018

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2018**
[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 5213 River Road Fort Vermilion AB T0H 1N0

Mailing Address

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

Contact 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.

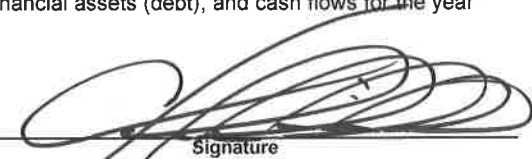
Declaration of Management and Board Chair

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

Clark McAskile

Name


Signature

SUPERINTENDENT

Michael McMann

Name


Signature

SECRETARY-TREASURER OR TREASURER

Norman Buhler

Name


Signature

November 28, 2018

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 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, 2018 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, 2018 and the results of its operations, cash flows, change in net debt, and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta
November 28, 2018


CHARTERED PROFESSIONAL ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
As at August 31, 2018 (in dollars)

		2018	2017
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 6,139,832	\$ 6,500,968
Accounts receivable (net after allowances)	(Note 3)	\$ 1,932,396	\$ 1,911,568
Portfolio investments		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 8,072,228	\$ 8,412,536
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 2,690,655	\$ 3,088,162
Deferred revenue	(Note 5)	\$ 42,473,491	\$ 44,040,986
Employee future benefits liabilities	(Note 6)	\$ 266,568	\$ 254,078
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 45,430,714	\$ 47,383,226
Net debt		\$ (37,358,486)	\$ (38,970,690)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 712,077	\$ 712,077
Construction in progress		\$ -	\$ 686,017
Buildings	\$ 98,398,319		
Less: Accumulated amortization	\$ (53,637,426)	\$ 44,760,893	\$ 45,717,147
Equipment	\$ 3,350,119		
Less: Accumulated amortization	\$ (3,006,457)	\$ 343,662	\$ 374,736
Vehicles	\$ 8,831,625		
Less: Accumulated amortization	\$ (5,663,750)	\$ 3,167,875	\$ 3,156,697
Computer Equipment	\$ 1,308,017		
Less: Accumulated amortization	\$ (1,192,368)	\$ 115,649	\$ 237,467
Total tangible capital assets		\$ 49,100,156	\$ 50,884,141
Prepaid expenses		\$ 344,864	\$ 225,642
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 49,445,020	\$ 51,109,783
Accumulated surplus	(Schedule 1; Note 7)	\$ 12,086,534	\$ 12,139,093
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 12,086,534	\$ 12,139,093
Accumulated rereasurement gains (losses)		\$ -	\$ -
		\$ 12,086,534	\$ 12,139,093
Contractual obligations	(Note 8)		
Contingent liabilities	(Note 9)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2018 (in dollars)

	Budget 2018	Actual 2018	Actual 2017
REVENUES			
Alberta Education	\$ 46,699,614	\$ 47,492,241	\$ 46,318,101
Other - Government of Alberta	\$ 604,578	\$ 515,932	\$ 565,110
Federal Government and First Nations	\$ 5,653,089	\$ 5,277,029	\$ 5,917,928
Other Alberta school authorities	\$ 165,634	\$ 165,634	\$ 165,634
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees	\$ 150,000	\$ 273,941	\$ 294,819
Other sales and services	\$ 633,225	\$ 528,045	\$ 499,662
Investment income	\$ 70,000	\$ 92,855	\$ 70,929
Gifts and donations	\$ -	\$ 23,241	\$ 30,464
Rental of facilities	\$ 290,000	\$ 295,807	\$ 289,689
Fundraising	\$ 850,000	\$ 979,887	\$ 870,020
Gains on disposal of capital assets	\$ -	\$ 31,537	\$ 4,094
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 55,116,140	\$ 55,676,149	\$ 55,026,450
EXPENSES			
Instruction - ECS	\$ 2,096,632	\$ 2,026,295	\$ 1,894,656
Instruction - Grades 1 - 12	\$ 38,651,086	\$ 39,810,094	\$ 39,535,378
Plant operations and maintenance (Schedule 4)	\$ 7,756,444	\$ 7,233,086	\$ 7,136,387
Transportation	\$ 3,427,642	\$ 3,467,022	\$ 3,377,697
Board & system administration	\$ 2,226,353	\$ 2,122,207	\$ 2,235,188
External services	\$ 957,983	\$ 1,070,004	\$ 991,683
Total expenses	\$ 55,116,140	\$ 55,728,708	\$ 55,170,989
Operating surplus (deficit)	\$ -	\$ (52,559)	\$ (144,539)

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2018 (in dollars)

	2018	2017
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (52,559)	\$ (144,539)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 3,392,479	\$ 3,213,209
Gains on disposal of tangible capital assets	\$ (31,537)	\$ (4,094)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (2,371,586)	\$ (2,198,446)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (20,828)	\$ 1,029,822
Prepays	\$ (119,222)	\$ 30,202
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable, accrued and other liabilities	\$ (397,507)	\$ (176,837)
Deferred revenue (excluding EDCR)	\$ 804,091	\$ 2,953,327
Employee future benefit liabilities	\$ 12,490	\$ 54,744
	\$ -	\$ -
Total cash flows from operating transactions	\$ 1,215,821	\$ 4,757,388
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (898,530)	\$ (3,118,159)
Equipment	\$ (66,943)	\$ (133,453)
Vehicles	\$ (692,409)	\$ (835,959)
Computer equipment	\$ -	\$ -
Net proceeds from disposal of unsupported capital assets	\$ 80,925	\$ 4,094
	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,576,957)	\$ (4,083,477)
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)
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)
Increase (decrease) in cash and cash equivalents	\$ (361,136)	\$ 634,278
Cash and cash equivalents, at beginning of year	\$ 6,500,968	\$ 5,866,690
Cash and cash equivalents, at end of year	\$ 6,139,832	\$ 6,500,968

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, 2018 (in dollars)

	Budget 2018	2018	2017
Operating surplus (deficit)	\$ -	\$ (52,559)	\$ (144,539)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (1,335,000)	\$ (1,657,882)	\$ (4,087,571)
Amortization of tangible capital assets	\$ 3,391,790	\$ 3,392,479	\$ 3,213,209
Net carrying value of tangible capital assets disposed of	\$ -	\$ 49,388	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	
Total effect of changes in tangible capital assets	\$ 2,056,790	\$ 1,783,985	\$ (874,362)
Changes in:			
Prepaid expenses	\$ -	\$ (119,222)	\$ 30,202
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)			
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 2,056,790	\$ 1,612,204	\$ (988,699)
Net financial assets (net debt) at beginning of year	\$ (38,970,690)	\$ (38,970,690)	\$ (37,981,991)
Net financial assets (net debt) at end of year	\$ (36,913,900)	\$ (37,358,486)	\$ (38,970,690)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the Year Ended August 31, 2018 (in dollars)

	2018	2017
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Prior Period Adjustment 1 (Describe)	\$ -	\$ -
Prior Period Adjustment 2 (Describe)	\$ -	\$ -
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, 2018 (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, 2017	\$ 12,139,093	\$ -	\$ 12,139,093	\$ 7,390,597	\$ -	\$ -	\$ 3,637,935	\$ 1,110,561
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 12,139,093	\$ -	\$ 12,139,093	\$ 7,390,597	\$ -	\$ -	\$ 3,637,935	\$ 1,110,561
Operating surplus (deficit)	\$ (52,559)		\$ (52,559)			\$ (52,559)		
Board funded tangible capital asset additions				\$ 1,025,639		\$ (1,025,639)	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (49,388)		\$ (31,537)		\$ 80,925
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	\$ -			\$ (3,392,479)		\$ 3,392,479		
Capital revenue recognized	\$ -			\$ 2,371,586		\$ (2,371,586)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ -	\$ -	
Net transfers from operating reserves	\$ -					\$ 88,842	\$ (88,842)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2018	\$ 12,086,534	\$ -	\$ 12,086,534	\$ 7,345,955	\$ -	\$ -	\$ 3,549,093	\$ 1,191,486

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2018 (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, 2017	\$ 3,637,935	\$ 297,508	\$ -	\$ 314,695	\$ -	\$ 188,528	\$ -	\$ 309,830	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ 3,637,935	\$ 297,508	\$ -	\$ 314,695	\$ -	\$ 188,528	\$ -	\$ 309,830	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ 6,532		\$ -		\$ -		\$ 74,393		\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses & disbursements										
Endowment contributions										
Reinvested endowment income										
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Additional capital debt or capital leases										
Net transfers to operating reserves	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers from operating reserves	\$ (88,842)		\$ -		\$ -		\$ -		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2018	\$ 3,549,093	\$ 304,040	\$ -	\$ 314,695	\$ -	\$ 188,528	\$ -	\$ 384,223	\$ -	\$ -

SCHEDULE 2

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2018 (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, 2017	\$ -	\$ -	\$ -	\$ -	\$ 43,493,436
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2017	\$ -	\$ -	\$ -	\$ -	\$ 43,493,436
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education capital funding (excl. IMR)	\$ -				
Alberta Infrastructure school building & modular projects	\$ -				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 460,639				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education capital funding (excl. IMR)	\$ 171,605				
Alberta Infrastructure school building & modular projects	\$ -				
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	\$ (632,244)	\$ -	\$ -	\$ -	\$ 632,244
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Supported tangible capital dispositions					\$ -
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 2,371,586
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2018	\$ -	\$ -	\$ -	\$ -	\$ 41,754,094
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2018 (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, 2018 (in dollars)

REVENUES	2018							2017
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 1,782,646	\$ 35,157,396	\$ 5,919,136	\$ 2,406,710	\$ 2,226,353	\$ -	\$ 47,492,241	\$ 46,318,101
(2) Other - Government of Alberta	\$ -	\$ 515,932	\$ -	\$ -	\$ -	\$ -	\$ 515,932	\$ 565,110
(3) Federal Government and First Nations	\$ 130,708	\$ 3,186,493	\$ 482,057	\$ 304,410	\$ 103,357	\$ 1,070,004	\$ 5,277,029	\$ 5,917,928
(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	\$ -	\$ 170,124	\$ -	\$ 103,817	\$ -	\$ -	\$ 273,941	\$ 294,819
(9) Other sales and services	\$ -	\$ 466,168	\$ -	\$ 61,877	\$ -	\$ -	\$ 528,045	\$ 499,662
(10) Investment income	\$ 3,490	\$ 71,859	\$ 12,214	\$ 5,292	\$ -	\$ -	\$ 92,855	\$ 70,929
(11) Gifts and donations	\$ -	\$ 23,241	\$ -	\$ -	\$ -	\$ -	\$ 23,241	\$ 30,464
(12) Rental of facilities	\$ -	\$ -	\$ 295,807	\$ -	\$ -	\$ -	\$ 295,807	\$ 289,689
(13) Fundraising	\$ -	\$ 979,887	\$ -	\$ -	\$ -	\$ -	\$ 979,887	\$ 870,020
(14) Gains on disposal of tangible capital assets	\$ -	\$ 6,532	\$ -	\$ 25,005	\$ -	\$ -	\$ 31,537	\$ 4,094
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 1,916,844	\$ 40,743,266	\$ 6,709,214	\$ 2,907,111	\$ 2,329,710	\$ 1,070,004	\$ 55,676,149	\$ 55,026,450
EXPENSES								
(17) Certificated salaries	\$ 1,104,641	\$ 19,876,390	\$ -	\$ -	\$ 361,827	\$ 656,152	\$ 21,999,010	\$ 22,218,650
(18) Certificated benefits	\$ 111,262	\$ 4,557,173	\$ -	\$ -	\$ 42,379	\$ 57,780	\$ 4,768,594	\$ 4,799,304
(19) Non-certificated salaries and wages	\$ 576,066	\$ 6,106,617	\$ 1,803,801	\$ 1,784,692	\$ 930,198	\$ 211,363	\$ 11,412,737	\$ 11,312,976
(20) Non-certificated benefits	\$ 99,782	\$ 920,556	\$ 294,827	\$ 308,966	\$ 164,655	\$ 38,874	\$ 1,827,660	\$ 1,987,080
(21) SUB - TOTAL	\$ 1,891,751	\$ 31,460,736	\$ 2,098,628	\$ 2,093,658	\$ 1,499,059	\$ 964,169	\$ 40,008,001	\$ 40,318,010
(22) Services, contracts and supplies	\$ 134,544	\$ 8,104,146	\$ 2,576,024	\$ 824,092	\$ 583,587	\$ 105,835	\$ 12,328,228	\$ 11,638,220
(23) Amortization of supported tangible capital assets	\$ -	\$ -	\$ 2,371,586	\$ -	\$ -	\$ -	\$ 2,371,586	\$ 2,198,446
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 245,212	\$ 186,848	\$ 549,272	\$ 39,561	\$ -	\$ 1,020,893	\$ 1,014,763
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,550
(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	\$ 2,026,295	\$ 39,810,094	\$ 7,233,086	\$ 3,467,022	\$ 2,122,207	\$ 1,070,004	\$ 55,728,708	\$ 55,170,989
(31) OPERATING SURPLUS (DEFICIT)	\$ (109,451)	\$ 933,172	\$ (523,872)	\$ (559,911)	\$ 207,503	\$ -	\$ (52,559)	\$ (144,539)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2018 (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	2018 TOTAL Operations and Maintenance	2017 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,236,094	\$ 439,588	\$ -	\$ -	\$ 128,119			\$ 1,803,801	\$ 1,789,462
Uncertificated benefits	\$ 194,339	\$ 69,708	\$ -	\$ -	\$ 30,781			\$ 294,828	\$ 318,103
Sub-total Remuneration	\$ 1,430,433	\$ 509,296	\$ -	\$ -	\$ 158,900			\$ 2,098,629	\$ 2,107,565
Supplies and services	\$ 176,153	\$ 591,306	\$ -	\$ 434,753	\$ 5,860			\$ 1,208,072	\$ 1,506,682
Electricity			\$ 663,333					\$ 663,333	\$ 566,493
Natural gas/heating fuel			\$ 379,301					\$ 379,301	\$ 330,884
Sewer and water			\$ 115,718					\$ 115,718	\$ 110,641
Telecommunications			\$ 16,080					\$ 16,080	\$ 8,506
Insurance					\$ 193,519			\$ 193,519	\$ 156,689
ASAP maintenance & renewal payments							\$ -	\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 2,371,586	\$ 2,371,586	\$ 2,198,446
Unsupported						\$ 186,848		\$ 186,848	\$ 148,931
Total Amortization						\$ 186,848	\$ 2,371,586	\$ 2,558,434	\$ 2,347,377
Interest on capital debt									
Supported							\$ -	\$ -	\$ 1,550
Unsupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 1,606,586	\$ 1,100,602	\$ 1,174,432	\$ 434,753	\$ 358,279	\$ 186,848	\$ 2,371,586	\$ 7,233,086	\$ 7,136,387
SQUARE METRES									
School buildings								47,809.7	47,809.7
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, 2018 (in dollars)**

Cash & Cash Equivalents	2018			2017
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 6,139,832	\$ 6,139,832	\$ 6,500,968
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%	\$ 6,139,832	\$ 6,139,832	\$ 6,500,968

Portfolio Investments	2018			2017	
	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:

	2018	2017
Under 1 year	0.0%	0.0%
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%
	0.0%	0.0%

SCHEDULE 6

School Jurisdiction Code: 1250

**SCHEDULE OF CAPITAL ASSETS
for the Year Ended August 31, 2018 (in dollars)**

Tangible Capital Assets	2018						2017
	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	\$ 686,017	\$ 96,813,772	\$ 4,722,413	\$ 8,525,665	\$ 3,387,917	\$ 114,847,861
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	-	898,530	66,943	692,409	-	1,657,882
Transfers in (out)	-	(686,017)	686,017	-	-	-	-
Less disposals including write-offs	-	-	-	(1,439,237)	(386,449)	(2,079,900)	(3,905,586)
Historical cost, August 31, 2017	\$ 712,077	\$ -	\$ 98,398,319	\$ 3,350,119	\$ 8,831,625	\$ 1,308,017	\$ 112,600,157
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 51,096,625	\$ 4,347,677	\$ 5,368,968	\$ 3,150,450	\$ 63,963,720
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	2,540,801	98,017	631,843	121,818	3,392,479
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(1,439,237)	(337,061)	(2,079,900)	(3,856,198)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 53,637,426	\$ 3,006,457	\$ 5,663,750	\$ 1,192,368	\$ 63,500,001
Net Book Value at August 31, 2018	\$ 712,077	\$ -	\$ 44,760,893	\$ 343,662	\$ 3,167,875	\$ 115,649	\$ 49,100,156
Net Book Value at August 31, 2017	\$ 712,077	\$ 686,017	\$ 45,717,147	\$ 374,736	\$ 3,156,697	\$ 237,467	\$ 50,884,141

	2018	2017
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, 2018 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Clark McAskile	1.00	\$23,000	\$1,215	\$0			\$0	\$9,131
Dale Lederer	0.14	\$1,950	\$78	\$0			\$0	\$0
Jesse Darling	0.86	\$14,126	\$672	\$0			\$0	\$4,216
Keith Lambert	0.14	\$2,075	\$19	\$0			\$0	\$0
Leah Lizotte	0.86	\$13,826	\$653	\$0			\$0	\$2,575
Marc Beland	1.00	\$15,125	\$798	\$0			\$0	\$704
Linda Kowal	0.86	\$14,388	\$687	\$0			\$0	\$2,651
Ernest Kroeker	0.14	\$2,475	\$115	\$0			\$0	\$15
John Zacharias	0.86	\$16,651	\$821	\$0			\$0	\$5,862
Henry Goertzen	1.00	\$18,113	\$929	\$0			\$0	\$11,647
Tim Driedger	1.00	\$19,546	\$1,014	\$0			\$0	\$6,345
Terence Meneen	0.14	\$1,850	\$81	\$0			\$0	\$45
Subtotal	8.00	\$143,125	\$7,082	\$0			\$0	\$43,191
Mike McMann, Superintendent	1.00	\$194,912	\$45,057	\$15,000	\$0	\$0	\$0	\$28,156
Norman Buhler, Secretary/Treasurer	1.00	\$172,890	\$44,087	\$15,000	\$0	\$0	\$0	\$19,076
	-	\$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		\$21,804,098	\$4,708,537	\$0	\$0	\$0	\$0	\$0
School based	216.30							
Non-School based	8.00							
Non-certificated		\$11,096,722	\$1,761,491	\$0	\$0	\$0	\$0	\$0
Instructional	169.10							
Plant Operations & Maintenance	30.40							
Transportation	56.00							
Other	14.60							
TOTALS	504.40	\$33,411,747	\$6,566,254	\$30,000	\$0	\$0	\$0	\$90,423

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

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) 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) 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.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

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

d) 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.

e) 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, 2018.

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, 2018.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into the soil, water, or sediment of a chemical, organic, or radioactive material, or live organism that exceeds an environmental standard. At August 31, 2018 there is no liability for contaminated sites.

g) 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.

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 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, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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, 2018, the amount contributed by the Government was \$2,490,336 (2017 - \$2,555,195).

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 \$76,217 for the year ended August 31, 2018 (2017 - \$79,875). At December 31, 2017, the Local Authorities Pension Plan reported a surplus of \$4,835,515,000 (2016 - deficiency of \$637,357,000).

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 Teacher Retirement Fund. The expense for this pension plan is equivalent to the annual contributions of \$22,008 for the year ended August 31, 2018 (2017 - \$27,859). 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, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) 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.

l) 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 10.

m) 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, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

The School Division's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and employee future benefit liabilities. 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.

o) Changes in Accounting Policy

The School Division has prospectively adopted the following standards for September 1, 2017: PS 3210 *Assets*, PS 3320 *Contingent Assets*, PS 3380 *Contractual Rights*, PS 2200 *Related Party Disclosures*, PS 3420 *Inter-Entity Transactions*. There was no material impact on the financial statements of adopting the new Sections.

3. ACCOUNTS RECEIVABLE

	2018			2017
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Capital	\$ 1,466,178	\$ -	\$ 1,466,178	\$ 1,294,574
Federal government	211,152		211,152	383,470
First Nations	440,957	(293,971)	146,986	-
Other	108,080	-	108,080	233,524
Total	\$ 2,226,367	\$ (293,971)	\$ 1,932,396	\$ 1,911,568

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Alberta Education	\$ 335,490	\$ 252,594
Federal government	507,558	551,533
Other salaries & benefit costs	364,917	277,408
Other trade payables and accrued liabilities	1,482,690	2,006,627
Total	\$ 2,690,655	\$ 3,088,162

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, 2018. 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, 2017	ADD: 2017/2018 Restricted Funds Received/ Receivable	DEDUCT: 2017/2018 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2017/2018 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2018
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	\$ 342,499	\$ 1,052,230	\$ (895,392)	\$ -	\$ 499,337
Nutrition Program	-	141,000	(90,638)	-	50,362
Building Collaboration & Capacity in Education	64,984	140,700	(205,684)	-	-
Other Alberta Education def'd revenue	11,240	-	-	-	11,240
Other Government of Alberta:					
Child Circle	29,754	302,342	(223,579)	-	108,517
Other Deferred Revenue:					
Urban Bussing	21,811	30,518	(21,811)	-	30,518
Wellness Fund Project	12,661	-	(4,065)	-	8,596
Little Green Thumbs	2,642	-	(307)	-	2,335
Tall Cree First Nation	61,959	8,492	(61,959)	-	8,492
Total unexpended deferred operating revenue	\$ 547,550	\$ 1,675,282	\$ (1,503,435)	\$ -	\$ 719,397
Unexpended deferred capital revenue (Schedule 2)	-	632,244	(632,244)	-	-
Expended deferred capital revenue (Schedule 2)	43,493,436	632,244	(2,371,586)	-	41,754,094
Total	\$ 44,040,986	\$ 2,939,770	\$ (4,507,265)	\$ -	\$ 42,473,491

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.

6. EMPLOYEE FUTURE BENEFIT LIABILITIES

	2018	2017
Accumulating vacation pay liability	\$ 57,173	\$ 50,318
Other employee future benefits	209,395	203,760
Total	\$ 266,568	\$ 254,078

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

7. ACCUMULATED SURPLUS

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

	2018	2017
Unrestricted surplus	\$ -	\$ -
Operating reserves	<u>3,549,093</u>	<u>3,637,935</u>
Accumulated surplus from operations	3,549,093	3,637,935
Investment in tangible capital assets	7,345,955	7,390,597
Capital reserves	1,191,486	1,110,561
Accumulated surplus	<u>\$ 12,086,534</u>	<u>\$ 12,139,093</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.

	2018	2017
Accumulated surplus from operations	\$ 3,549,093	\$ 3,637,935
Deduct: School generated funds included in accumulated surplus (Note 11)	<u>534,957</u>	<u>478,326</u>
Adjusted accumulated surplus from operations ⁽¹⁾	<u>\$ 3,014,136</u>	<u>\$ 3,159,609</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, 2018

8. CONTRACTUAL OBLIGATIONS

	2018	2017
Building projects	\$ -	\$ -
Building leases ⁽¹⁾	313,640	189,093
Service providers ⁽²⁾	-	188,580
Other (Specify)	-	-
Other	-	-
Total	\$ 313,640	\$ 377,673

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

⁽²⁾ Service providers: As at August 31, 2018, the School Division has \$0 (2017 - \$188,580) in commitments relating to service and grant contracts.

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2018-2019	\$ -	\$ 141,240	\$ -	\$ -	\$ -
2019-2020	-	105,200	-	-	-
2020-2021	-	67,200	-	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	\$ -	\$ 313,640	\$ -	\$ -	\$ -

9. 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, 2018

10. 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.

	2018	2017
Regional Collaborative Service Delivery (Banker board)	\$ 43,560	\$ 105,718
Divisional Bursaries	9,650	16,650
Northern Student Teacher Bursaries Program	67,752	41,617
Northern Student Teacher Practicum Program	224,131	349,408
Total	\$ 345,093	\$ 513,393

11. SCHOOL GENERATED FUNDS

	2018	2017
School Generated Funds, Beginning of Year	\$ 478,326	\$ 425,006
Gross Receipts:		
Fees	153,693	135,491
Fundraising	979,887	873,721
Gifts and donations	21,891	18,058
Grants to schools	1,000	12,300
Other sales and services	175,893	233,191
Total gross receipts	1,332,364	1,272,761
Total Related Expenses and Uses of Funds	445,148	460,242
Total Direct Costs Including Cost of Goods Sold to Raise Funds	830,585	759,199
School Generated Funds, End of Year	\$ 534,957	\$ 478,326
Balance included in Deferred Revenue	\$ -	\$ -
Balance included in Accumulated Surplus (Operating Reserves)	\$ 534,957	\$ 478,326

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

12. RELATED PARTY TRANSACTIONS

Related parties are entities consolidated or accounted for on a modified equity basis in the Government of Alberta Consolidated Financial Statements. Related parties also include key management personnel in division and their close family members.

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):				
Alberta Education				
Accounts receivable / Accounts payable	\$ 1,466,178	\$ 335,490		
Prepaid expenses / Deferred operating revenue	-	560,939		
Unexpended deferred capital revenue		-		
Expended deferred capital revenue		41,754,094	2,371,586	
Grant revenue & expenses			42,630,319	
ATRF payments made on behalf of district			2,490,336	
Other revenues & expenses			-	-
Other Alberta school jurisdictions	-	-	165,634	-
Transfer of schools to / from other school				
Alberta Treasury Board and Finance (Principal)				
Alberta Treasury Board and Finance (Accrued)			-	
Alberta Health Services	-	-	292,353	-
Other GOA ministry - Child Circle	-	108,517	223,579	-
TOTAL 2017/2018	<u>\$ 1,466,178</u>	<u>\$42,759,040</u>	<u>\$48,173,807</u>	<u>\$ -</u>
TOTAL 2016/2017	<u>\$ 1,294,574</u>	<u>\$44,194,507</u>	<u>\$47,048,845</u>	<u>\$ -</u>

The School Division and its employees paid or collected certain taxes and amounts set by regulation or local policy. These amounts were incurred in the normal course of business, reflect charges applicable to all users and have been excluded from this schedule.

13. 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.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2018

14. FINANCIAL INSTRUMENTS

CREDIT CONCENTRATION

Accounts receivable from the provincial government in connection with grant revenue represents 76% (2017 - 68%) of total accounts receivable as at August 31, 2018. 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.

15. BUDGET

The budget was prepared by the School Division and approved by the Board of Trustees on May 17, 2017.

SCHEDULE 8

UNAUDITED SCHEDULE OF FEES
for the Year Ending August 31, 2018 (in dollars)

	Actual Fees Collected 2016/2017	Budgeted Fee Revenue 2017/2018	(A) Actual Fees Collected 2017/2018	(B) Unexpended September 1, 2017*	(C) Funds Raised to Defray Fees 2017/2018	(D) Expenditures 2017/2018	(A) + (B) + (C) - (D) Unexpended Balance at August 31, 2018*
Transportation Fees	\$99,992	\$100,000	\$103,817	\$0	\$0	\$293,990	\$0
Basic Instruction Fees							
Basic instruction supplies	\$45,204	\$0	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction							
Technology user fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees for optional courses	\$14,131	\$15,000	\$16,431	\$0	\$0	\$70,853	\$0
Activity fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees							
Extracurricular fees	\$135,492	\$35,000	\$153,693	\$10,628	\$0	\$249,891	\$0
Non-curricular travel	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$294,819	\$150,000	\$273,941	\$10,628	\$0	\$614,734	\$0

*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 2018	Actual 2017
Cafeteria sales, hot lunch, milk programs	\$175,894	\$233,191
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	\$175,894	\$233,191

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2018 (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	657	72	448		
Federally Funded Students	402				
REVENUES					
Alberta Education allocated funding	\$ 739,258	\$ 1,106,574	\$ 527,789	\$ 4,355,386	\$ 1,482,745
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 739,258	\$ 1,106,574	\$ 527,789	\$ 4,355,386	\$ 1,482,745
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 50,371	\$ -	\$ -	\$ 921,975	
Instructional non-certificated salaries & benefits	\$ 162,254	\$ 675,849	\$ 176,484	\$ 2,753,080	
SUB TOTAL	\$ 212,625	\$ 675,849	\$ 176,484	\$ 3,675,055	
Supplies, contracts and services	\$ 46,838	\$ 95,236	\$ 10,063	\$ 224,005	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ 306,142	
Initiative Programing	\$ 483,237	\$ -	\$ 181,035	\$ 480,688	
	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 742,700	\$ 771,085	\$ 367,582	\$ 4,685,890	
NET FUNDING SURPLUS (SHORTFALL)	\$ (3,442)	\$ 335,489	\$ 160,207	\$ (330,504)	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2018 (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	\$ 316,045	\$ 57,341	\$ -	\$ 373,386	\$ -	\$ -	\$ -	\$ 373,386
Educational administration (excluding superintendent)	\$ -	\$ -	\$ -	\$ -	\$ 417,040	\$ 61,577	\$ -	\$ 478,617
Business administration	\$ 548,240	\$ 216,967	\$ -	\$ 765,207	\$ -	\$ -	\$ -	\$ 765,207
Board governance (Board of Trustees)	\$ 150,208	\$ 116,891	\$ -	\$ 267,099	\$ -	\$ -	\$ -	\$ 267,099
Information technology	\$ -	\$ 85,767	\$ -	\$ 85,767	\$ 460,466	\$ 565,017	\$ 40,936	\$ 1,152,186
Human resources	\$ 342,756	\$ 47,529	\$ -	\$ 390,285	\$ -	\$ -	\$ -	\$ 390,285
Central purchasing, communications, marketing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll	\$ 141,810	\$ -	\$ -	\$ 141,810	\$ -	\$ -	\$ -	\$ 141,810
Administration - insurance			\$ 57,698	\$ 57,698			\$ -	\$ 57,698
Administration - amortization			\$ 39,561	\$ 39,561			\$ -	\$ 39,561
Administration - other (admin building, interest)			\$ 1,394	\$ 1,394			\$ -	\$ 1,394
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 1,499,059	\$ 524,495	\$ 98,653	\$ 2,122,207	\$ 877,506	\$ 626,594	\$ 40,936	\$ 3,667,243

School Jurisdiction Code: **1250**

SCHEDULE 11

Average Estimated # of Students Served Per Meal: **430.00**

**UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES
for the Year Ending August 31, 2018**

		Budget 2018	2018
REVENUES			
Alberta Education - current		\$ 141,000	\$ 141,000
Alberta Education - prior year		\$ -	\$ -
Other Funding		\$ -	\$ -
TOTAL REVENUES		\$ 141,000	\$ 141,000
EXPENSES			
Salaries & Benefits	FTE		
Project Coordinator		\$ -	\$ -
Cook	1.00	\$ 30,073	\$ 24,681
		\$ -	\$ -
		\$ -	\$ -
		\$ -	\$ -
Food Supplies		\$ 144,579	\$ 54,719
Office Supplies		\$ -	\$ -
Small Kitchenwares (e.g. toaster, measuring cups/spoons, bowls, cutting boards)		\$ 2,500	\$ 4,526
Non-Capitalized Assets			
Microwave		\$ -	\$ -
Refrigerator		\$ -	\$ -
Stove		\$ -	\$ -
Tables		\$ -	\$ -
Carts to Move Food		\$ 7,000	\$ 5,213
Roasting Pans/Tupperware		\$ 1,500	\$ 1,480
		\$ -	\$ -
Training (e.g. workshops, training materials)		\$ 500	\$ -
Contracted Services (please describe)		\$ -	\$ -
Other Expenses			
Kitchen Aprons		\$ 200	\$ -
Food Delivery		\$ -	\$ -
Cleaning and Sanitation Supplies		\$ 500	\$ 19
Travel and Accommodation		\$ 1,600	\$ -
TOTAL EXPENSES		\$ 188,452	\$ 90,638
ANNUAL SURPLUS/DEFICIT		\$ (47,452)	\$ 50,362