

## APPENDIX A: SAMPLE NOTES TO THE FINANCIAL STATEMENTS

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### 1. AUTHORITY AND PURPOSE

*PS 1000, PS 1100*

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction 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 Jurisdiction is limited on certain funding allocations and administration expenses.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards (PSAS). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

#### a) Basis of Consolidation

*PS 1300.17-.27*

The accounts of the School Division are fully consolidated with the following controlled entities on a line-by-line basis:

- o Foundation #1, a foundation established in 2013 by the School Division for purposes of fundraising. Foundation #1 was incorporated under the Companies Act of the Province of Alberta. Under the provision of the Income Tax Act, Foundation #1 is exempt from income tax.
- o Foundation #2, a foundation established in 2009 by the School Division under a trust indenture. The School Division's Board of Trustees appoints the Governors of the Foundation. The Foundation is a registered charity incorporated under the Societies Act of Alberta. Foundation #2 promotes the integration of all students in classrooms.

Revenue and expense, capital, investing and financing transactions and related asset and liability balances between the consolidated entities have been eliminated.

In addition, Foundation #3 was established in 2011 under the Societies Act of Alberta to promote lifelong learning. The Foundation is not a controlled entity and has not been consolidated with the School Division's financial statements.

#### b) Cash and Cash Equivalents

*PS 1201.104-.105*

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.

#### c) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

#### d) Portfolio Investments

*PS 3041, PS 3450*

The School District has investments in GIC's, term deposits, bonds, equity instruments and mutual funds that have no maturity dates or a maturity of greater than three months. GIC's, term deposits and investments not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in

the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold. Detailed information regarding portfolio investments is disclosed in the Schedule 5: Schedule of Cash, Cash Equivalents, and Portfolio Investments.

e) Tangible capital assets  
PS 3150

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost, including amounts directly related to the acquisition, design, construction, development, or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Construction-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue (EDCR).
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School District's rate for incremental borrowing or the interest rate implicit in the lease. A schedule of repayments and amount of interest on the leases is provided in Note 14.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	10% to 20%

f) Other Assets  
PS 3210

Intangible assets, certain land, and construction-in-progress managed by Alberta Infrastructure are not recognized in these financial statements. *Provide rationale for non-recognition of these asset categories per PS 3210.32.*

g) Deferred Revenue

*PS 3100, 3410.16, .17, .19, .25*

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

Deferred revenue also includes contributions for capital expenditures, unexpended and expended. Unexpended Deferred Capital Revenue (UDCR) represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, 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 (EDCR) represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

h) Employee Future Benefits

*PS 3250.84, .100 - .104, PS 3255.35-.36*

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

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, non-vested & accumulating sick leave, early retirement, retirement/severance, job-training and counseling, post-employment benefit continuation, death benefits, and various qualifying compensated absences, early retirement, retirement/severance, death benefit and vested sick leave. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

i) Asset Retirement Obligations

*HB 3110.21, PS 3280*

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations. The School Division has included its estimated asset retirement obligation of \$xxx,xxx (2017 - \$xxx,xxx) in the Statement of Financial Position as Other Liabilities representing XX (2017 – XX) obligations.

The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Government of Alberta. The School Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

j) Operating and Capital Reserves  
*PSG-4*

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

k) Revenue Recognition  
*PS 3410.08, .16, .17, .19, 3510*

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

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, 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 District has to meet in order to receive certain contributions. *Stipulations* describe what the School District 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 that the stipulations are met, except 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.

l) Expenses  
*PS 1201.85 - .88*

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.

m) Pensions  
*PS 3250*

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

Current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2018, the amount contributed by the Government was \$XXX,XXX (2017 \$XXX,XXX).

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$ xxx,xxx for the year ended August 31, 2018

(2017 \$xxx,xxx). At December 31, 2017, the Local Authorities Pension Plan reported a surplus of \$4,835,515,000 (2016, a deficiency of \$637,357,000).

n) Program Reporting  
PS 2700.04, .07, .26

The Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services education instructional services that fall under the basic public education mandate.
- **Grade 1-12 Instruction:** The provision of instructional services 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 must be self-supporting, and Alberta Education funding may not be utilized to support these programs.

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

o) Scholarship Endowment Funds

Contributions and income pertaining to scholarship endowment funds are recognized on the Statement of Operations and must be held in perpetuity in accordance with the agreement with the donor. Provisions of the agreement require that \_\_\_ % of the income is reinvested each year. The residual may be disbursed for the purposes of the scholarship. Undisbursed funds earned on endowment principal are recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met.

Unrealized gains and losses associated with the endowment are recorded in the Statement of Remeasurement Gains and Losses.

p) Trusts Under Administration  
PS 1300.40, .46

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

Trusts under administration have been excluded from the financial reporting of the Division. A summary of Trust balances is listed in Note 22.

q) Financial Instruments  
PS 3450

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

r) Measurement Uncertainty  
PS 2130

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

s) Change in Accounting Policy

The division has prospectively adopted the following standards from September 1, 2017: PS 3210 Assets, PS 3320 Contingent Assets, PS 3380 Contractual Rights, PS 2200 Related Party Disclosures, PS 3420 Inter-Entity Transactions, which are reflected in Note 2 (f), Schedule 6, Note 7, Note 8, and Note 24.

t) Future Accounting Changes

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3430 Restructuring Transaction (effective April 1, 2018)**

This standard provides guidance on how to account for and report restructuring transactions by both transferors and recipients of assets and/or liabilities, together with related program or operating responsibilities.

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**

Effective April 1, 2021, this standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset.

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

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes \$xx,xxx for Foundation 1 and \$x,xxx for Foundation 2.

#### 4. ACCOUNTS RECEIVABLE

	2018			2017
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ -
Alberta Education - Capital	-	-	-	-
Alberta Education - IMR	-	-	-	-
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance - Supported debenture principal	-	-	-	-
Treasury Board and Finance - Accrued interest on supported debentures	-	-	-	-
Alberta Health	-	-	-	-
Alberta Health Services	-	-	-	-
Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Government of Alberta Ministries	-	-	-	-
Federal government	-	-	-	-
Municipalities	-	-	-	-
First Nations	-	-	-	-
Foundations	-	-	-	-
Other	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -

#### 5. PORTFOLIO INVESTMENTS

Restricted investments of \$X,XXX on the Schedule of Cash, Cash Equivalents, and Portfolio Investments relate to cash collateral requirements on capital leases.

An impairment of \$XXX (2017: \$XXX) in (investment name) has been identified by management and is reported in the Statement of Operations. A reversal of net remeasurement gains \$ XXX (2017: \$XXX) reported in previous reporting periods in the (investment name) is reported on the Statement of Remeasurement Gains and Losses.

(Investment names) were reclassified to the fair value category because the quoted price in an active market value became available during the year. The difference of \$XXX between the carrying value and fair value is reported as a remeasurement gain or loss.

#### 6. OTHER FINANCIAL ASSETS

Other Financial assets consist of the following:

	2018	2017
Inventory*	\$ -	\$ -
Embedded derivatives**	-	-
Other (specify if significant)***	-	-
Total	\$ -	\$ -

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

\*\*Embedded derivatives are measured at fair value.

\*\*\*Specify nature of each "other" if it exceeds \$5,000

**7. CONTRACTUAL RIGHTS**

Contractual rights are rights of the division to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met.

	2018	2017
Contractual rights from operating leases*	\$ -	\$ -
Contractual rights from service agreement**	-	-
Other	-	-
Other	-	-
Other	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

\*Operating leases include \$x (2017 - \$X) with other school divisions; \*\*Service agreements include \$x (2017 - \$X) with other school divisions.

Estimated amounts that will be received or receivable for each of the next five years and thereafter are as follows:

	Operating Leases	Service Agreements	Other (Specify)	Other (Specify)	Other
2018-2019	\$ -	\$ -	\$ -	\$ -	\$ -
2019-2020	-	-	-	-	-
2020-2021	-	-	-	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-
Thereafter	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**8. CONTINGENT ASSETS**

The division initiated legal matters where possible assets are being sought. The outcomes from these matters will likely result in recognition of assets.

The division was involved in x (2017: x) lawsuits which will reasonably give rise to the recovery of assets. Of these lawsuits, x (2017: x) have a specified amount of \$x (2017: \$x). x (2017: x) lawsuit have no amount specified. X joint lawsuits with (name party) (2017: x) have an estimated amount ranging from \$X to \$X which represents the division’s portion of the contingent asset. **Disclose the basis and significant assumptions underlying the contingent asset that are subject to change which would impact the estimate. Refer to PS 3320.16-20.**

These amounts have not been recognized in the financial statements.

**9. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit in the amount of \$x,xxx,xxx that bears interest at \_\_\_% (or) prime + \_\_\_%). This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was a balance of \$xxx (2017: \$xxx) (no balance) at August 31, 2018.



**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
Alberta Education	\$ -	\$ -
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Unsupported)	-	-
Alberta Health	-	-
Alberta Health Services	-	-
Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries	-	-
Federal government	-	-
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Accrued vacation pay liability	-	-
Other salaries & benefit costs	-	-
Other trade payables and accrued liabilities	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

**11. DEFERRED REVENUE**

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 / Pivable)	ADD (DEDUCT): 2017/2018 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2018
<b>Unexpended deferred operating revenue</b>					
<b>Alberta Education:</b>					
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -	\$ -
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renew al	-	-	-	-	-
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education def'd revenue (specify)	-	-	-	-	-
Other Alberta Education def'd revenue (specify)	-	-	-	-	-
<b>Other Government of Alberta:</b>					
(Specify ministry & program)	-	-	-	-	-
(Specify)	-	-	-	-	-
<b>Other Deferred Revenue:</b>					
School Generated Funds	-	-	-	-	-
Fees	-	-	-	-	-
Donations	-	-	-	-	-
Other (Specify)	-	-	-	-	-
Other (Specify)	-	-	-	-	-
Other	-	-	-	-	-
<b>Total unexpended deferred operating revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Unexpended deferred capital revenue (Schedule 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expended deferred capital revenue (Schedule 2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**12. EMPLOYEE FUTURE BENEFIT LIABILITIES**

Employee future benefit liabilities consist of the following:

	2018	2017
Defined benefit pension plan liability	\$ -	\$ -
Accumulating sick pay liability (vested)	-	-
Accumulating sick pay liability (non-vested)		
Other compensated absences	-	-
Post-employment benefits	-	-
Retirement allowances	-	-
Other termination benefits	-	-
Other employee future benefits	-	-
Total	\$ -	\$ -

**13. 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. The school jurisdiction has ascertained liabilities for contaminated sites due to asbestos and ground contamination as follows:

	2018	2017
Balance, beginning of year	\$ -	\$ -
Additional obligations recognized	-	-
Change in estimate related to existing sites		
Remediation work performed	-	-
Balance, end of year	\$ -	\$ -

The school jurisdiction has accepted responsibility to perform remediation work at (*site names*) for (*describe nature of contamination*). (*Describe remediation strategy for the sites at high level including timing*). (*Describe the basis for the estimate and the reasons for not recognizing a liability*) (*When net present value techniques have been used, the estimated total undiscounted expenditure and discount rate should be disclosed*).

**14. OTHER LIABILITIES**

Other liabilities consist of the following:

	2018	2017
Asset retirement obligation*	\$ -	\$ -
Other (Please specify)	-	-
Other (Please specify)	-	-
Other	-	-
Total	\$ -	\$ -

**14. OTHER LIABILITIES (continued)**

\*The following table summarizes the changes in asset retirement obligations (ARO):

	2018	2017
Balance beginning of year	\$ -	\$ -
Additional obligations recognized	-	-
Obligations discharged	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

The School Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Government of Alberta. The school board has recorded two ARO of \$XXX, (2017 - three ARO of \$XXX) representing the estimated cost to remove asbestos from schools. The school board has not recorded an ARO for six buildings for asbestos removal as the amount of asbestos is not known.

**15. DEBT**

	2018	2017
Supported debentures outstanding at August 31, 2017 have interest rates between XX% to XX%. The terms of the debentures range between 20 and 25 years, payments made annually supported by Alberta Education	\$ -	\$ -
Unsupported debentures outstanding at August 31, 2017 have interest rates between XX% to XX%. The terms of the debentures range between 20 and 25 years, payments made monthly by the school division	\$ -	\$ -
Mortgages outstanding at August 31, 2017 have interest rates between XX% to XX%. The terms of the Loan range between 20 and 25 years, payments made monthly	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

**Debenture Debt – Supported (Separate disclosure for each balance sheet item required)**

Debentures are fully supported by Alberta Finance. Payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2018-2019	\$ -	\$ -	\$ -
2019-2020	-	-	-
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023 to maturity	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Unsupported Debentures (*Separate disclosure for each balance sheet item required*)

Payments on unsupported debentures due over the next five years and beyond are as follows:

**15. DEBT (continued)**

	Principal	Interest	Total
2018-2019	\$ -	\$ -	\$ -
2019-2020	-	-	-
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023 to maturity	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Loans (*Separate disclosure for each balance sheet item required*)

Payments on capital loans due over the next five years and beyond are as follows:

	Principal	Interest	Total
2018-2019	\$ -	\$ -	\$ -
2019-2020	-	-	-
2020-2021	-	-	-
2021-2022	-	-	-
2022-2023	-	-	-
2023 to maturity	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Mortgages (*Separate disclosure for each balance sheet item required*)

Payments on mortgages due over the next five years and beyond are as follows:

**16. CAPITAL LEASES**

Capital leases are funded by the school jurisdiction and are composed of the following:

	2018	2017
Obligations under capital lease #1, due 2030 building with a net book value of \$xx,xxx pledged as collateral	-	-
Obligations under capital lease #2, due 2019 equipment with a net book value of \$xx,xxx pledged as collateral		
Obligations under capital lease #3, due 2022 computer with a net book value of \$xx,xxx pledged as collateral		
Obligations under capital lease #4, due 2024 vehicles with a net book value of \$xx,xxx pledged as collateral	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

#### 16. CAPITAL LEASES (continued)

Payments on capital leases are due as follows:

	Total
2018-2019	\$ -
2019-2020	-
2020-2021	-
2021-2022	-
2022-2023	-
2023 to maturity	-
Total Payments	-
Less amount representing interest	-
Total	<u>\$ -</u>

#### 17. PREPAID EXPENSES:

Prepaid Expenses consist of the following:

	2018	2017
Prepaid insurance	\$ -	\$ -
Other (specify if significant)	-	-
Other	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

#### 18. OTHER NON-FINANCIAL ASSETS:

Other non-financial assets consist of the following:

	2018	2017
Inventory	\$ -	\$ -
Other (specify if significant)	-	-
Other	-	-
Total	\$ -	\$ -

**19. ACCUMULATED SURPLUS:**

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

	2018	2017
Unrestricted surplus	\$ -	\$ -
Operating reserves	-	-
Accumulated surplus (deficit) from operations	-	-
Investment in tangible capital assets	-	-
Capital reserves	-	-
Endowments <sup>(1)</sup>	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	\$ -	\$ -

**19. ACCUMULATED SURPLUS (continued):**

Accumulated surplus (deficit) from operations (ASO) include funds of \$x,xxx,xxx that are raised at school level and are not available to spend at board level (*Note to Secretary-Treasurer: information from bottom line of Sample Note 23*). The school jurisdiction's Adjusted surplus (deficit) from operations is calculated as follows:

	2018	2017
Accumulated surplus (deficit) from operations	\$ -	\$ -
Add: Non-vesting accumulating employee future benefits charged to accumulated surplus	-	-
Deduct: School generated funds included in accumulated surplus (Note 21)	-	-
Adjusted accumulated surplus (deficit) from operations <sup>(2)</sup>	\$ -	\$ -

<sup>(1)</sup> Terms of the endowments stipulate that the principal balance be maintained permanently. Investment income of \$xxx (2017 - \$xxx) is externally restricted for scholarships and is included in deferred revenue.

<sup>(2)</sup> Adjusted accumulated surplus (deficit) from operations represents funds available for use by the school jurisdiction after deducting funds raised at school-level.

**20. CONTRACTUAL OBLIGATIONS:**

	2018	2017
Building projects <sup>(1)</sup>	\$ -	\$ -
Building leases <sup>(2)</sup>	-	-
Service providers <sup>(3)</sup>	-	-
Other (Specify)	-	-
Other	-	-
Total	\$ -	\$ -

<sup>(1)</sup> Building projects: The jurisdiction is committed to capital expenditures of \$x,xxx to expand two schools. The jurisdiction is also committed to further capital expenditures to complete other schools of approximately \$xxx. It is anticipated that \$x,xxx of these costs will be fully funded by capital revenue from Alberta Education.

<sup>(2)</sup> Building leases: The jurisdiction is committed to lease office space on behalf of an affiliated organization to December 31, 2020, from which annual rental of \$x,xxx is recovered annually.

<sup>(3)</sup> Service providers: As at August 31, 2018, the jurisdiction has \$xxx,xxx (2017 \$xxx,xxx) in commitments relating to service and grant contracts. \$xxx of these are paid to other school jurisdictions.

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2018-2019	\$ -	\$ -	\$ -	\$ -	\$ -
2019-2020	-	-	-	-	-
2020-2021	-	-	-	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-
Thereafter	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

**(Note: Totals on this schedule should agree with totals for 2018 of first schedule)**

## 21. CONTINGENT LIABILITIES:

- The jurisdiction is a member of Urban Schools Insurance Consortium (USIC) (or) Alberta School Boards Insurance Exchange (ASBIE). Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The jurisdiction's share of the pool as at August 31, 2018 is \$x,xxx,xxx.
- The School District has been named in xx (2017 – xx) claims, xx (2017 – xx) of which the outcome is not determinable. Of these indeterminable claims, xx (2017 – xx) have specified amounts totaling \$xxx (2017 - \$xxx). The remaining xx (2017 – xx) claims have no amounts specified. Accruals have been made in specific instances where it is likely that losses will be incurred based on a reasonable estimate. The resolution of indeterminable claims may result in a liability, if any, that may be significantly lower than the claimed amount. **None of these contingent liabilities involve related parties.**

**(Complete the following ONLY if more than two likely claims)** As at August 31, 2018 XX (2017 – xx) accruals totaling \$xxx (2017: \$xxx) have been recorded as a liability. XX (2017– xx) specified likely claims total \$xxx (2017: \$xxx).

Included in the total likely claims are claims in which the department has been jointly named. The accrual provided for these claims represents the jurisdiction's portion of the liability.

## 22. TRUSTS UNDER ADMINISTRATION

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

	2018	2017
Deferred salary leave plan	\$ -	\$ -
Scholarship trusts	-	-
Regional Collaborative Service Delivery (Banker board)	-	-
Regional Learning Consortium (Banker board)	-	-
Other foundations (please specify)		
Other trusts (please specify)	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

### 23. SCHOOL GENERATED FUNDS

	2018	2017
School Generated Funds, Beginning of Year	\$ -	\$ -
Gross Receipts:		
Fees	-	-
Fundraising	-	-
Gifts and donations	-	-
Grants to schools	-	-
Other sales and services	-	-
Total gross receipts	-	-
Total Related Expenses and Uses of Funds	-	-
Total Direct Costs Including Cost of Goods Sold to Raise Funds	-	-
School Generated Funds, End of Year	<u>\$ -</u>	<u>\$ -</u>
Balance included in Deferred Revenue*	\$ -	\$ -
Balance included in Accumulated Surplus (Operating Reserves)**	\$ -	\$ -

*Notes to preparer:*

\*Balance included in Deferred Revenue should agree with Sample Note 11.

\*\*Balance included in A/S should be deducted from A.S.O. in Note 19 (second schedule), which is reported by Alberta Education.

### 24. RELATED PARTY TRANSACTIONS

Related parties are those entities consolidated or accounted for on the 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
<b>Government of Alberta (GOA):</b>				
<b>Alberta Education</b>				
Accounts receivable / Accounts payable	\$ -	\$ -		
Prepaid expenses / Deferred operating revenue	-	-		
Unexpended deferred capital revenue		-		
Expended deferred capital revenue				
Grant revenue & expenses			-	
ATRF payments made on behalf of district				
Other revenues & expenses			-	-
<b>Other Alberta school jurisdictions</b>	-	-	-	-
<b>Transfer of schools to / from other school jurisdictions</b>				
<b>Alberta Treasury Board and Finance (Principal)</b>				
<b>Alberta Treasury Board and Finance (Accrued interest)</b>			-	
<b>Alberta Health</b>	-	-	-	-
<b>Alberta Health Services</b>	-	-	-	-
<b>Enterprise and Advanced Education</b>	-	-	-	-
<b>Post-secondary institutions</b>	-	-	-	-
<b>Alberta Infrastructure</b>	-	-	-	-
<b>Human Services</b>	-	-	-	-
<b>Culture &amp; Tourism</b>	-	-	-	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministries	-	-	-	-
<b>Other:</b>				
Alberta Capital Financing Authority		-		-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
<b>TOTAL 2017/2018</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL 2016/2017</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The 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.

## 24. RELATED PARTY TRANSACTIONS (continued)

The division had the following transactions with related parties reported on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the parties: **[Note: these amounts represent exchange amounts not at fair value, especially with key management personnel.]**

	2018	2017
<b>Revenues</b>		
Rental	\$ -	\$ -
Sale of vehicle	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>		
Rental	\$ -	\$ -
System Support	-	-
Other	-	-
	<u>\$ -</u>	<u>\$ -</u>
Receivable from / Payable to	\$ -	\$ -

- Describe the nature of different fees and charges and segregate, if significant.
- Group with other if amount is not significant
- Describe the nature of transactions included in Other;
- If applicable, include loans, payables, and receivables.

**25. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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

**26. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on \_(date)\_. It is presented for information purposes only and has not been audited.

**27. COMPARATIVE FIGURES**

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

**28. PRIOR PERIOD ADJUSTMENTS**

School generated funds have been restated to reflect the adoption of Alberta Education's disclosure policy. (This is an example of the possible types of prior period adjustments.)

	Originally Reported	Adjustment	Restated
	\$ -	\$ -	\$ -
	-	-	-
	-	-	-
	-	-	-
	-	-	-

|