

**BLACK GOLD REGIONAL DIVISION NO. 18
FINANCIAL STATEMENTS**

AUGUST 31, 2014

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Black Gold Regional Division No. 18

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Black Gold Regional Division No. 18 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 and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.


BOARD CHAIR

Johnette Lemke
Name


Signature

SUPERINTENDENT

Norman Yanitski
Name


Signature

SECRETARY-TREASURER OR TREASURER

M. Ruth Andres
Name


Signature

November 26, 2014
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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Independent Auditors' Report

To the Board of Trustees of Black Gold Regional Division No. 18:

We have audited the accompanying financial statements of Black Gold Regional Division No. 18, which comprise the statement of financial position as at August 31, 2014, and the statements of operations, cash flows, change in net debt, and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations and plant operations and maintenance expenses 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 Black Gold Regional Division No. 18 as at August 31, 2014, and the results of its operations, cash flows, and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta
November 26, 2014

MNP LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
As at August 31, 2014 (in dollars)

		2014	2013
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 8,348,990	\$ 10,104,516
Accounts receivable (net after allowances)	(Note 4)	\$ 1,444,956	\$ 2,098,317
Portfolio investments	(Note 5)	\$ 9,000,000	\$ 6,000,000
Other financial assets		\$ -	\$ -
Total financial assets		\$ 18,793,946	\$ 18,202,833
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 5,009,884	\$ 3,919,617
Deferred revenue	(Note 7)	\$ 81,187,011	\$ 69,402,879
Employee future benefit liabilities	(Note 8)	\$ 259,800	\$ 220,167
Other liabilities		\$ -	\$ -
Debt	(Note 9)		
Supported: Debentures and other supported debt		\$ 99,096	\$ 312,300
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 86,555,791	\$ 73,854,963
Net financial assets (debt)		\$ (67,761,845)	\$ (55,652,130)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 10)		
Land		\$ 2,394,945	\$ 2,394,945
Construction in progress		\$ -	\$ 14,098,337
Buildings	\$ 142,915,269		
Less: Accumulated amortization	\$ (62,637,514)	\$ 80,277,755	\$ 55,435,807
Equipment	\$ 8,584,426		
Less: Accumulated amortization	\$ (5,032,269)	\$ 3,552,157	\$ 2,623,527
Vehicles	\$ 1,180,736		
Less: Accumulated amortization	\$ (796,030)	\$ 384,706	\$ 450,902
Computer Equipment	\$ 1,112,147		
Less: Accumulated amortization	\$ (600,210)	\$ 511,937	\$ 571,988
Total tangible capital assets		\$ 87,121,500	\$ 75,575,506
Prepaid expenses		\$ 200,278	\$ 191,341
Other non-financial assets		\$ 356,731	\$ 272,298
Total non-financial assets		\$ 87,678,509	\$ 76,039,145
Accumulated surplus	(Note 11)	\$ 19,916,664	\$ 20,387,015
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 19,916,664	\$ 20,387,015
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 19,916,664	\$ 20,387,015
Contractual obligations	(Note 12)		
Contingent liabilities	(Note 13)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2014 (in dollars)

	Budget 2014	Actual 2014	Actual 2013
REVENUES			
Alberta Education	\$ 93,555,248	\$ 98,555,779	\$ 95,679,168
Other - Government of Alberta	\$ -	\$ 351,446	\$ 417,656
Federal Government and First Nations	\$ -	\$ 245	\$ -
Other Alberta school authorities	\$ -	\$ 5,170	\$ 2,318
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 14)	\$ 3,017,123	\$ 2,942,235	\$ 2,754,531
Other sales and services	\$ 882,629	\$ 1,134,858	\$ 1,167,351
Investment income	\$ 182,357	\$ 280,192	\$ 298,124
Gifts and donations	\$ 100,000	\$ 226,670	\$ 161,929
Rental of facilities	\$ 91,200	\$ 101,537	\$ 87,089
Fundraising	\$ 1,500,000	\$ 1,214,565	\$ 1,809,042
Gains on disposal of capital assets	\$ -	\$ 29,851	\$ 3,885
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 99,328,557	\$ 104,842,548	\$ 102,381,093
EXPENSES			
Instruction (ECS - Grade 12)	\$ 80,935,448	\$ 84,762,598	\$ 80,751,923
Plant operations and maintenance	\$ 11,934,068	\$ 12,360,635	\$ 12,440,785
Transportation	\$ 4,002,215	\$ 4,134,246	\$ 3,907,445
Board & system administration	\$ 3,485,942	\$ 3,581,502	\$ 3,439,365
External services	\$ 377,571	\$ 473,918	\$ 461,174
Total expenses	\$ 100,735,244	\$ 105,312,899	\$ 101,000,692
Operating surplus (deficit)	\$ (1,406,687)	\$ (470,351)	\$ 1,380,401

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2014 (in dollars)

	2014	2013
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (470,351)	\$ 1,380,401
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 4,108,854	\$ 4,149,692
Gains on disposal of tangible capital assets	\$ (29,851)	\$ (3,885)
Losses on disposal of tangible capital assets	\$ 7,673	\$ 4,160
Expended deferred capital revenue recognition	\$ (3,299,443)	\$ (3,360,310)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 653,361	\$ 783,025
Prepays	\$ (8,937)	\$ 86,448
Other financial assets	\$ -	\$ -
Non-financial assets	\$ (84,433)	\$ 26,395
Accounts payable and accrued liabilities	\$ 1,090,267	\$ (976,785)
Deferred revenue (excluding EDCR)	\$ 2,078,513	\$ 343,962
Employee future benefit liabilities	\$ 39,633	\$ (5,305)
Other (describe) Capital amounts in accounts payable	\$ (751,446)	\$ 843,325
Total cash flows from operating transactions	\$ 3,333,840	\$ 3,271,123
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land		\$ -
Buildings	\$ (1,307,389)	\$ (421,521)
Equipment	\$ (1,220,550)	\$ (186,876)
Vehicles	\$ (64,326)	\$ (123,543)
Computer equipment	\$ (66,378)	\$ (423,457)
Net proceeds from disposal of unsupported capital assets	\$ 31,035	\$ 5,500
Other (describe) Capital amounts in accounts payable	\$ 751,446	\$ (843,325)
Total cash flows from capital transactions	\$ (1,876,162)	\$ (1,993,222)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (3,000,000)	\$ -
Dispositions of portfolio investments	\$ -	\$ 1,000,000
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (3,000,000)	\$ 1,000,000
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (213,204)	\$ (456,734)
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (213,204)	\$ (456,734)
Increase (decrease) in cash and cash equivalents	\$ (1,755,526)	\$ 1,821,167
Cash and cash equivalents, at beginning of year	\$ 10,104,516	\$ 8,283,349
Cash and cash equivalents, at end of year	\$ 8,348,990	\$ 10,104,516

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2014

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ (1,406,687)	\$ (470,351)	\$ 1,380,401
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (600,000)	\$ (15,628,437)	\$ (15,441,847)
Amortization of tangible capital assets	\$ (4,180,293)	\$ 4,108,854	\$ 4,149,692
Net carrying value of tangible capital assets disposed of	\$ -	\$ 8,857	\$ 5,775
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ (35,268)	\$ -
Total effect of changes in tangible capital assets	\$ (4,780,293)	\$ (11,545,994)	\$ (11,286,380)
Changes in:			
Prepaid expenses	\$ -	\$ (8,937)	\$ 86,448
Other non-financial assets	\$ -	\$ (84,433)	\$ 26,395
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ (6,186,980)	\$ (12,109,715)	\$ (9,793,136)
Net debt at beginning of year	\$ (55,652,130)	\$ (55,652,130)	\$ (45,858,994)
Net debt at end of year	\$ (61,839,110)	\$ (67,761,845)	\$ (55,652,130)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2014 (in dollars)

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
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 OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ 20,387,015	\$ -	\$ 20,387,015	\$ 7,172,418	\$ -	\$ 636,342	\$ 9,944,250	\$ 2,634,005
Prior period adjustments:								
	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 20,387,015	\$ -	\$ 20,387,015	\$ 7,172,418	\$ -	\$ 636,342	\$ 9,944,250	\$ 2,634,005
Operating surplus (deficit)	\$ (470,351)		\$ (470,351)			\$ (470,351)		
Board funded tangible capital asset additions				\$ 417,167		\$ 35,268	\$ -	\$ (452,435)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ (8,857)		\$ (22,178)		\$ 31,035
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (4,108,854)		\$ 4,108,854		
Capital revenue recognized	\$ -			\$ 3,299,443		\$ (3,299,443)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -		\$ -	
Net transfers to operating reserves	\$ -					\$ (1,170,262)	\$ 1,170,262	
Net transfers from operating reserves	\$ -					\$ 1,476,065	\$ (1,476,065)	
Net transfers to capital reserves	\$ -					\$ (687,213)		\$ 687,213
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -		\$ -		\$ -	\$ -
Balance at August 31, 2014	\$ 19,916,664	\$ -	\$ 19,916,664	\$ 6,771,317	\$ -	\$ 607,082	\$ 9,638,447	\$ 2,899,818

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (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, 2013	\$ 6,642,641	\$ 1,084,551	\$ 732,797	\$ 857,181	\$ 1,237,941	\$ 463,124	\$ 1,205,388	\$ 229,149	\$ 125,483	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 6,642,641	\$ 1,084,551	\$ 732,797	\$ 857,181	\$ 1,237,941	\$ 463,124	\$ 1,205,388	\$ 229,149	\$ 125,483	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ (259,699)	\$ -	\$ (192,736)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ 31,035		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 710,772		\$ -		\$ 394,022		\$ 65,468		\$ -	
Net transfers from operating reserves	\$ (949,799)		\$ (345,852)		\$ -		\$ (180,414)		\$ -	
Net transfers to capital reserves		\$ 371,820		\$ 262,445		\$ 52,948		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 6,403,614	\$ 1,196,672	\$ 386,945	\$ 957,925	\$ 1,631,963	\$ 516,072	\$ 1,090,442	\$ 229,149	\$ 125,483	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2014 (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, 2013	\$ -	\$ -	\$ -	\$ 552,121	\$ 68,403,086
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ -	\$ -	\$ 552,121	\$ 68,403,086
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 1,432,805				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ 25,415				
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Other sources <i>(Describe)</i> :	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 638,116				
Other sources: <i>(Describe)</i> Town of Beaumont	\$ 10,404			\$ -	
Other sources: <i>(Describe)</i>	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ 10,766	
Other unexpended capital revenue: <i>(Describe)</i>				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain): Playgrounds					\$ 349,051
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ 12,620,743
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (1,959,221)	\$ -	\$ -	\$ (282,256)	\$ 2,241,477
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain): Trf Prior Year Expenses to funded	\$ -	\$ -	\$ -	\$ (35,268)	\$ 35,268
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	
Capital revenue recognized - Alberta Education					\$ 2,973,310
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ 326,133
Balance at August 31, 2014	\$ 147,519	\$ -	\$ -	\$ 245,363	\$ 80,350,182
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)				\$ 392,882	

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.
(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, 2014 (in dollars)

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 79,036,687	\$ 11,911,812	\$ 3,734,813	\$ 3,864,967	\$ 7,500	\$ 98,555,779	\$ 95,679,168
(2) Other - Government of Alberta	\$ 329,439	\$ 22,007	\$ -	\$ -	\$ -	\$ 351,446	\$ 417,656
(3) Federal Government and First Nations	\$ 245	\$ -	\$ -	\$ -	\$ -	\$ 245	\$ -
(4) Other Alberta school authorities	\$ -	\$ -	\$ 5,170	\$ -	\$ -	\$ 5,170	\$ 2,318
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 2,739,175		\$ 203,060		\$ -	\$ 2,942,235	\$ 2,754,531
(9) Other sales and services	\$ 745,073	\$ 23,366	\$ -	\$ 1,538	\$ 364,881	\$ 1,134,858	\$ 1,167,351
(10) Investment income	\$ 231,716	\$ 27,747	\$ 10,789	\$ 9,940	\$ -	\$ 280,192	\$ 298,124
(11) Gifts and donations	\$ 226,670	\$ -	\$ -	\$ -	\$ -	\$ 226,670	\$ 161,929
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ 101,537	\$ 101,537	\$ 87,089
(13) Fundraising	\$ 1,214,565	\$ -	\$ -	\$ -	\$ -	\$ 1,214,565	\$ 1,809,042
(14) Gains on disposal of tangible capital assets	\$ -	\$ 29,851	\$ -	\$ -	\$ -	\$ 29,851	\$ 3,885
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16) TOTAL REVENUES	\$ 84,523,570	\$ 12,014,783	\$ 3,953,832	\$ 3,876,445	\$ 473,918	\$ 104,842,548	\$ 102,381,093
EXPENSES							
(17) Certificated salaries	\$ 51,126,045			\$ 699,088	\$ 90,231	\$ 51,915,364	\$ 50,174,916
(18) Certificated benefits	\$ 11,548,354			\$ 177,128	\$ 9,561	\$ 11,735,043	\$ 10,388,281
(19) Non-certificated salaries and wages	\$ 9,947,436	\$ 3,415,758	\$ 173,617	\$ 1,437,215	\$ 157,447	\$ 15,131,473	\$ 14,293,269
(20) Non-certificated benefits	\$ 2,474,090	\$ 851,844	\$ 42,296	\$ 309,395	\$ 33,064	\$ 3,710,689	\$ 3,626,715
(21) SUB - TOTAL	\$ 75,095,925	\$ 4,267,602	\$ 215,913	\$ 2,622,826	\$ 290,303	\$ 82,492,569	\$ 78,483,181
(22) Services, contracts and supplies	\$ 8,902,509	\$ 5,005,036	\$ 3,849,775	\$ 798,705	\$ 112,968	\$ 18,668,993	\$ 18,287,515
(23) Amortization of supported tangible capital assets	\$ 424,515	\$ 2,807,406	\$ -	\$ -	\$ 67,522	\$ 3,299,443	\$ 3,360,310
(24) Amortization of unsupported tangible capital assets	\$ 330,378	\$ 253,208	\$ 65,468	\$ 157,232	\$ 3,125	\$ 809,411	\$ 789,382
(25) Supported interest on capital debt	\$ -	\$ 22,007	\$ -	\$ -	\$ -	\$ 22,007	\$ 54,842
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ 9,271	\$ 345	\$ 3,090	\$ 97	\$ -	\$ 12,803	\$ 21,302
(28) Losses on disposal of tangible capital assets	\$ -	\$ 5,031	\$ -	\$ 2,642	\$ -	\$ 7,673	\$ 4,160
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 84,762,598	\$ 12,360,635	\$ 4,134,246	\$ 3,581,502	\$ 473,918	\$ 105,312,899	\$ 101,000,692
(31) OPERATING SURPLUS (DEFICIT)	\$ (239,028)	\$ (345,852)	\$ (180,414)	\$ 294,943	\$ -	\$ (470,351)	\$ 1,380,401

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE EXPENSES
for the Year Ended August 31, 2014 (in dollars)

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 2,281,116	\$ 715,189	\$ -	\$ -	\$ 419,453		\$ 3,415,758		\$ 3,415,758
Uncertificated benefits	\$ 580,734	\$ 179,113	\$ -	\$ -	\$ 91,997		\$ 851,844		\$ 851,844
Sub-total Remuneration	\$ 2,861,850	\$ 894,302	\$ -	\$ -	\$ 511,450		\$ 4,267,602		\$ 4,267,602
Supplies and services	\$ 307,415	\$ -	\$ 1,247,331	\$ 1,210,477	\$ 12,175		\$ 2,777,398		\$ 2,777,398
Electricity			\$ 1,001,359				\$ 1,001,359		\$ 1,001,359
Natural gas/heating fuel			\$ 648,644				\$ 648,644		\$ 648,644
Sewer and water			\$ 112,115				\$ 112,115		\$ 112,115
Telecommunications			\$ 35,146				\$ 35,146		\$ 35,146
Insurance					\$ 301,183		\$ 301,183		\$ 301,183
Amortization of tangible capital assets									
Supported								\$ 2,807,405	\$ 2,807,405
Unsupported						\$ 253,208	\$ 253,208		\$ 253,208
Total Amortization						\$ 253,208	\$ 253,208	\$ 2,807,405	\$ 3,060,613
Interest on capital debt									
Supported								\$ 22,007	\$ 22,007
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ 129,192			\$ 129,192		\$ 129,192
Other interest charges						\$ 345	\$ 345		\$ 345
Losses on disposal of capital assets						\$ 5,031	\$ 5,031		\$ 5,031
TOTAL EXPENSES	\$ 3,169,265	\$ 894,302	\$ 3,044,595	\$ 1,339,669	\$ 824,808	\$ 258,584	\$ 9,531,223	\$ 2,829,412	\$ 12,360,635
SQUARE METRES									
School buildings									111,999.9
Non school buildings									3,707.2

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.

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

1. AUTHORITY AND PURPOSE

The Black Gold Regional Division No. 18 (the "Regional Division") delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Regional 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 Regional 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 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) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

The Regional Division has investments in GIC's that have a maturity of greater than three months. GIC's not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 5.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- 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 Regional 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.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	5 to 50 years
Equipment	5 and 10 years
Vehicles	5 and 10 years
Computer Hardware and Software	5 years
Construction in Progress – Buildings	not amortized

e) Deferred Revenue

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 as deferred revenue by the Regional 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 Regional 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.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 Regional Division use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

The Regional Division provides certain post-employment and retirement benefits including vested benefits for certain employees pursuant to certain contracts.

The Regional Division accrues its obligations and related costs for vested benefits under employee future benefit plans. The obligation recorded is for a defined-benefit retirement plan. The future benefit cost is actuarially determined using the projected benefit 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.

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 Regional Division has to meet in order to receive certain contributions. *Stipulations* describe what the Regional Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met. Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

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, Black Gold Regional Division No. 18 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 Regional Division is included in both revenue and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$6,299,728 (2013 - \$5,080,872).

The Regional 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 \$1,129,708 for the year ended August 31, 2014 (2013 - \$1,024,017). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 - deficiency of \$4,977,303,000).

The Regional Division participates in the Supplemental Integrated Pension Plan, (SiPP), a multi-employer senior management registered pension plan, and does not report on any unfunded liabilities. The expense of this pension plan is equivalent to the annual employer contributions of \$27,150 (2013 - \$26,009). The purpose of SiPP is to enhance the LAPP/ATRF formula to a full 2% final average earnings pension plan.

The Regional Division participates in a Supplementary Executive Retirement Plan (SERP). This is an unfunded pension arrangement with no assets as defined under *PS 3250*. The actuarial determination of the accrued benefit obligation uses the projected benefit method prorated on service, which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors. The expense of this pension plan is equivalent to the annual employer contributions and any increase in the actual determination of the obligation under *PS 3250*. The expense for the year ended August 31, 2014 was \$41,700 (2013 - \$43,000) the purpose of SERP is to provide for the portion of the accrued pension based on the SiPP formula that is in excess of the Income Tax Act maximum. SERP is not subject to pension regulations. For service on or after the SiPP entry date, the SERP provides a supplemental pension such that when combined with the LAPP/ATRF benefit and the SiPP benefit in respect of the SERP service, the member will receive a pension based on a 2% final average earnings formula and the enhanced normal form. The average remaining service period of active employees covered by the pension plan is seven years.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

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

k) Program Reporting

The Regional Division's operations have been segmented into operating segments established to facilitate the achievement of the Regional 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-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & 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.

l) Trusts Under Administration

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

Trusts under administration have been excluded from the financial reporting of the Regional Division. Trust balances can be found in Note 15.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial Instruments

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

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, employee future benefits and debt. Unless otherwise noted, it is management's opinion that the Regional 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.

n) Measurement Uncertainty

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.

3. CASH AND CASH EQUIVALENTS

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash ⁽¹⁾	-	\$ 6,359,874	\$ 6,359,874	\$ 8,038,997
Cash equivalents				
Government of Canada, direct	%	-	-	-
Provincial, direct and guaranteed	%	-	-	-
Corporate	%	-	-	-
Municipal	%	-	-	-
Pooled investment funds	%	-	-	-
Other, including GIC's ⁽¹⁾	%	1,989,116	1,989,116	2,065,519
Total cash and cash equivalents		<u>\$ 8,348,990</u>	<u>\$ 8,348,990</u>	<u>\$ 10,104,516</u>

⁽¹⁾ These rates are not disclosed due to their confidential nature.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 174,023	\$ -	\$ 174,023	\$ 522,744
Alberta Education - Capital	735,938	-	735,938	841,535
Alberta Education - IMR	-	-	-	-
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	6,571	-	6,571	-
Treasury Board and Finance - Supported debenture principal	99,097	-	99,097	312,300
Treasury Board and Finance - Accrued interest on supported debentures	7,650	-	7,650	16,302
Alberta Health & Wellness	-	-	-	-
Alberta Health Services	34,990	-	34,990	30,943
Innovation & Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry	-	-	-	-
Government of Alberta Ministry	-	-	-	-
Government of Alberta Ministry	-	-	-	-
Federal government	224,455	-	224,455	176,075
Municipalities	32,255	-	32,255	1,089
First Nations	-	-	-	-
Foundations	-	-	-	-
Other	129,977	-	129,977	197,329
Total	\$ 1,444,956	\$ -	\$ 1,444,956	\$ 2,098,317

Included in accounts receivable is \$142,479 (2013 - \$599,531) of amounts outstanding for over one year.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

5. PORTFOLIO INVESTMENTS

	2014				2013 Balance
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guaranteed interest certificates	2.01	9,000,000	9,000,000	9,000,000	6,000,000
Fixed income securities					
Government of Canada, direct and guaranteed	%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	%	-	-	-	-
Municipal	%	-	-	-	-
Corporate	%	-	-	-	-
Pooled investment funds	%	-	-	-	-
Total fixed income securities	%	-	-	-	-
Equities					
Canadian	%	-	-	-	-
Foreign	%	-	-	-	-
Real estate	%	-	-	-	-
Total equities	%	-	-	-	-
Supplemental Integrated Pension Plan assets	%	-	-	-	-
Restricted long-term investments	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Total portfolio investments	%	<u>\$9,000,000</u>	<u>\$9,000,000</u>	<u>\$9,000,000</u>	<u>\$6,000,000</u>

The following is the maturity structure for fixed income securities based on the principal amount:

	2014	2013
3 months to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

It is management's opinion that there has been no impairment during the year.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Alberta Education	\$ 7,328	\$ -
Other Alberta school jurisdictions	25,714	21,784
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	7,650	16,303
Alberta Capital Finance Authority (Interest on long-term debt -	-	-
Alberta Health & Wellness	-	-
Alberta Health Services	-	-
Innovation & Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries Agriculture	-	17,136
Federal government	1,043,945	1,032,580
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Accrued vacation pay liability	72,580	-
Other salaries & benefit costs	1,277,509	1,235,655
Other trade payables and accrued liabilities	2,575,158	1,596,159
Total	\$ 5,009,884	\$ 3,919,617

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

7. 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, 2014. 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, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2014
Unexpended deferred operating revenue					
Alberta Education:					
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -	\$ -
Children and Youth with Complex Needs	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renewal	41,616	1,233,156	(1,235,893)	-	38,879
Institutional Education Programs	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education - LRC Credit	22,963	-	(22,963)	-	-
Other Alberta Education def'd revenue (spe	-	-	-	-	-
Other Alberta Education def'd revenue (spe	-	-	-	-	-
Other Government of Alberta:					
(Specify ministry & program)	-	-	-	-	-
(Specify ministry & program)	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	233,338	98,637	(137,866)	-	194,109
Fees	45,985	59,960	(45,985)	-	59,960
Donations	-	-	-	-	-
Transportation Revenue	103,770	100,998	(103,770)	-	100,998
Wellness Revenue	-	50,000	-	-	50,000
Other	-	-	-	-	-
Total unexpended deferred operating reve	\$ 447,672	\$ 1,542,750	\$ (1,546,477)	\$ -	\$ 443,946
Unexpended deferred capital revenue	552,121	2,117,506	(2,276,745)	-	392,882
Expended deferred capital revenue	68,403,086	15,246,539	(3,299,442)	-	80,350,183
Total	\$ 69,402,879	\$ 18,906,795	\$ (7,122,664)	\$ -	\$ 81,187,011

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

8. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2014	2013
Defined benefit pension plan liability	\$ 259,800	\$ 220,167
Accumulating sick pay liability (vested)	-	-
Accumulating sick pay liability (non-vested)	-	-
Other compensated absences	-	-
Post-employment benefits	-	-
Retirement allowances	-	-
Other termination benefits	-	-
Educational subsidy surplus	-	-
Personal professional development fund	-	-
Other employee future benefits	-	-
Total	\$ 259,800	\$ 220,167

Defined benefit pension plan (SERP)

The expense and obligations are determined in accordance with Canadian GAAP and actuarial principles. Obligations are based on the projected benefits method of valuation that includes employee service to date and present pay levels, as well as a projection of salaries and service to retirement.

Benefits paid by pension plans were \$1,300 (2013 - \$49,100).

Accrued benefit plan obligation

	2014	2013
Accrued benefit plan obligation, beginning of year	180,200	188,600
Accrual for services	37,500	38,500
Interest cost	9,800	9,100
Benefit payments	(1,300)	(49,100)
Actuarial loss (gain) on accrued benefit plan obligation	30,700	(6,900)
Accrued benefit plan obligation, end of year	256,900	180,200

The Regional Division measures its accrued benefit obligations and fair value of plan assets for accounting purposes at August 31, 2014.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

8. EMPLOYEE FUTURE BENEFIT LIABILITIES *(continued)*

Reconciliation of funded status of the benefit plans to the amounts recorded in the financial statements

	2014	2013
Accrued benefit obligation	(256,900)	(180,200)
Balance of unamortized amounts	(2,900)	(39,200)
<hr/>		
Accrued benefit liability	(259,800)	(219,400)

Elements of defined benefit costs recognized in the year

	2014	2013
Current service cost	38,500	38,500
Interest costs	9,800	9,100
Amortization of experience losses	(5,600)	(4,600)
<hr/>		
Defined benefit costs recognized	41,700	43,000

Significant assumption

	2014	2013
Accrued benefit obligation discount	4.95%	4.95%

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

9. DEBT

	2014	2013
Debentures outstanding at August 31, 2014 have interest rates between 9.75% to 10.00%. Payments made annually supported by Alberta Education	\$ 99,096	\$ 312,300

Debenture Debt – Supported

Debenture payments due over the next year are:

	Principal	Interest	Total
2014-2015	\$ 99,096	\$ 9,662	\$ 108,758
2015-2016	-	-	-
2016-2017	-	-	-
2017-2018	-	-	-
2018-2019	-	-	-
2019 to maturity	-	-	-
Total	<u>\$ 99,096</u>	<u>\$ 9,662</u>	<u>\$ 108,758</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2014**

10. TANGIBLE CAPITAL ASSETS

	2014						2013	
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	
Estimated useful life			5-50 Years	5-10 Years	5-10 Years	5 Years		
Historical cost								
Beginning of year	\$ 2,394,945	\$14,098,337	\$ 114,853,532	\$ 7,182,094	\$ 1,254,869	\$ 1,052,374	\$ 140,836,151	\$125,795,435
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	-	13,963,400	1,569,601	64,326	66,377	15,663,704	15,441,847
Transfers in (out)	-	(14,098,337)	14,098,337	-	-	-	-	-
Less disposals including w rite-offs	-	-	-	(167,269)	(138,459)	(6,604)	(312,332)	(401,131)
	<u>\$ 2,394,945</u>	<u>\$ -</u>	<u>\$ 142,915,269</u>	<u>\$ 8,584,426</u>	<u>\$ 1,180,736</u>	<u>\$ 1,112,147</u>	<u>\$ 156,187,523</u>	<u>\$140,836,151</u>
Accumulated amortization								
Beginning of year	\$ -	-	\$ 59,417,725	\$ 4,558,567	\$ 803,967	\$ 480,387	\$ 65,260,646	\$ 61,506,309
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	3,219,789	640,971	124,307	123,786	4,108,853	4,149,692
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including w rite-offs	-	-	-	(167,269)	(132,244)	(3,963)	(303,476)	(395,355)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,637,514</u>	<u>\$ 5,032,269</u>	<u>\$ 796,030</u>	<u>\$ 600,210</u>	<u>\$ 69,066,023</u>	<u>\$ 65,260,646</u>
Net Book Value at End of Year	<u>\$ 2,394,945</u>	<u>\$ -</u>	<u>\$ 80,277,755</u>	<u>\$ 3,552,157</u>	<u>\$ 384,706</u>	<u>\$ 511,937</u>	<u>\$ 87,121,500</u>	<u>\$ 75,575,505</u>
2013 Net Book Value	<u>\$ 2,394,945</u>	<u>\$14,098,337</u>	<u>\$ 55,435,807</u>	<u>\$ 2,623,527</u>	<u>\$ 450,902</u>	<u>\$ 571,987</u>	<u>\$ 75,575,505</u>	

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11. ACCUMULATED SURPLUS

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

	2014	2013
Unrestricted surplus	\$ 607,082	\$ 636,342
Operating reserves	<u>9,638,447</u>	<u>9,944,250</u>
Accumulated surplus (deficit) from operations	10,245,529	10,580,592
Investment in tangible capital assets	6,771,317	7,172,418
Capital reserves	2,899,818	2,634,005
Endowments	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 19,916,664</u>	<u>\$ 20,387,015</u>

Accumulated surplus (deficit) from operations include school generated funds of \$859,786. These funds are raised at the school level and are not available to spend at board level. The Regional Division's adjusted surplus (deficit) from operations is calculated as follows:

Accumulated surplus (deficit) from operations	\$ 10,245,529	\$ 10,580,592
Deduct: School generated funds included in accumulated surplus (Note 16)	<u>859,786</u>	<u>764,268</u>
Adjusted accumulated surplus (deficit) from operations ⁽¹⁾	<u>\$ 9,385,743</u>	<u>\$ 9,816,324</u>

⁽¹⁾ Adjusted accumulated surplus (deficit) from operations represents unspent funding available for use by the Regional Division after deducting funds raised at the school level.

12. CONTRACTUAL OBLIGATIONS

	2014	2013
Building projects	\$ -	\$ -
Building leases	2,173,756	2,493,072
Service providers	-	-
Other (Specify)	-	-
Other	-	-
Total	\$ 2,173,756	\$ 2,493,072

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

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2014-15	\$ -	\$ 317,741	\$ -	\$ -	\$ -
2015-16	-	91,655	-	-	-
2016-17	-	91,655	-	-	-
2017-18	-	91,655	-	-	-
2018-19	-	91,655	-	-	-
Thereafter	-	1,489,395	-	-	-
	<u>\$ -</u>	<u>\$ 2,173,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
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13. CONTINGENT LIABILITIES

The Regional 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.

14. FEES

	2014	2013
Transportation fees ⁽¹⁾	\$ 203,061	\$ 170,766
Fees charged for instruction material and supplies ⁽²⁾	664,657	648,969
School generated funds	1,252,752	976,194
Field trips	821,765	958,602
Other fees (Specify)		
Other fees (Specify)		
Other fees		-
Total	<u>\$ 2,942,235</u>	<u>2,754,531</u>

⁽¹⁾ Charged under School Act, Section 51 (3)

⁽²⁾ Charged under School Act Section 60 (2) (j)

15. TRUSTS UNDER ADMINISTRATION

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

	2014	2013
Deferred salary leave plan	\$ 111,627	\$ 146,344
Scholarship trusts	108,435	76,187
Student Health Initiative (Banker board)	-	172,162
Children and Youth with Complex Needs (Banker board)	-	-
Regional Collaborative Service Delivery (Banker board)	246,147	124,807
Regional Learning Consortium (Banker board)	-	-
SGF Trust	27,542	31,685
MERFIP	15,916	4,666
Total	<u>\$ 509,667</u>	<u>\$ 555,851</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
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16. SCHOOL GENERATED FUNDS

	2014	2013
School Generated Funds, Beginning of Year	\$ 997,605	\$ 938,918
Gross Receipts:		
Fees	2,035,289	1,942,783
Fundraising	1,214,565	1,809,042
Gifts and donations	176,551	145,479
Grants to schools	11,138	4,290
Other sales and services	156,190	286,720
Total gross receipts	3,593,733	4,188,314
Total Related Expenses and Uses of Funds		
	2,688,889	2,777,166
Total Direct Costs Including Cost of Goods Sold to Raise Funds	848,553	1,352,461
School Generated Funds, End of Year		
	<u>\$ 1,053,895</u>	<u>\$ 997,605</u>
Balance included in Deferred Revenue		
	\$ 194,109	\$ 233,337
Balance included in Accumulated Surplus (Operating Reserves)		
	\$ 859,786	\$ 764,268

**BLACK GOLD REGIONAL DIVISION NO. 18
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17. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 909,961	\$ 7,328	\$ -	\$ -
Prepaid expenses / Deferred operating revenue	-	38,879	-	-
Unexpended deferred capital revenue	-	392,882	-	-
Expended deferred capital revenue	-	76,950,631	-	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	92,256,051	-
Other revenues & expenses	-	-	-	40,812
Other Alberta school jurisdictions	6,571	25,714	5,170	172,543
Treasury Board and Finance (Principal)	99,097	-	-	-
Treasury Board and Finance (Accrued interest)	7,650	-	22,007	22,007
Alberta Health	-	-	-	-
Alberta Health Services	34,990	-	320,733	733
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	50,000	1,855	4,200
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other GOA ministry - Culture	-	-	6,637	3,248
Other GOA ministry - Agriculture	-	-	-	24,192
Other GOA ministry - Environment	-	-	214	-
Other GOA Finance	-	-	-	243
Other:				
Alberta Capital Financing Authority	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2013/2014	\$ 1,058,269	\$ 77,465,434	\$ 92,612,667	\$ 267,978
TOTAL 2012/2013	\$ 1,723,825	\$ 65,420,791	\$ 91,018,270	\$ 176,439

18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
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19. REMUNERATION AND MONETARY INCENTIVES

The Regional Division had paid or accrued expenses for the year ended August 31, 2014 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair							
Lemke, Johnette	1.0	\$27,536	\$ 5,722	\$0			\$ 10,798
Other members							
Bauckman, Lori	0.2	\$3,750	\$ 878	\$0			\$ 277
Elander, Rebecca	1.0	\$23,152	\$ 5,578	\$0			\$ 8,053
Kobeluck, Sam	1.0	\$22,500	\$ 5,586	\$0			\$ 10,763
Koroll, Sandy	1.0	\$23,486	\$ 4,862	\$0			\$ 9,073
Martinson, Barb	1.0	\$22,500	\$ 5,544	\$0			\$ 6,504
Misselbrook, Lorna	1.0	\$24,700	\$ 5,623	\$0			\$ 7,188
Nosyk, Dennis	0.8	\$18,750	\$ 4,667	\$0			\$ 6,915
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	7.0	\$166,374	\$38,460	\$0			\$59,571
Superintendent							
Yanitski, Norman	1.0	\$213,748	\$59,256	\$0	\$0	\$0	\$19,136
Secretary/Treasurer							
Andres, Ruth	1.0	\$183,475	\$50,536	\$0	\$0	\$0	\$13,097
Certificated teachers	569.4	\$51,701,616	\$11,650,787	\$0	\$0	\$25,000	
Non-certificated - other	373.2	\$14,781,624	\$3,617,790	\$0	\$0	\$3,903	
TOTALS		\$67,046,837	\$15,416,829	\$0	\$0	\$28,903	

20. FINANCIAL INSTRUMENTS

CREDIT CONCENTRATION

Accounts receivable from the provincial government in connection with grant revenue represents 73% (2013 - 82%) of total accounts receivable as at August 31, 2014. The Regional 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.

21. BUDGET AMOUNTS

The budget was prepared by the Regional Division and approved by the Board of Trustees.

22. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2013/2014 presentation.