

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

AUGUST 31, 2017

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

Black Gold Regional Division No. 18

Legal Name of School Jurisdiction

3rd Floor, 1101 - 5 Street Nisku AB T9E 7N3

Mailing Address

(780) 955-6025 (780) 955-6050 ruth.andres@blackgold.ca

Telephone & Fax Numbers, and Email Address

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, remeasurement gains and losses, changes in net financial assets (debt), and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Barbara Martinson

Name


Signature

SUPERINTENDENT

Dr. Norman Yanitski

Name


Signature

SECRETARY-TREASURER OR TREASURER

M. Ruth Andres

Name


Signature

November 29, 2017

Board-approved Release Date

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

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Independent Auditors' Report

To the Board of Trustees of 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, 2017 and the statements of operations, cash flows, change in net financial assets (net debt), and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations, plant operations and maintenance expenses, cash, cash equivalents, and portfolio investments, capital assets and remuneration and monetary incentives for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Gold Regional Division No. 18 as at August 31, 2017 and the results of its operations, cash flows, and change in net debt for the year then ended in accordance with Canadian public sector accounting standards.

Leduc, Alberta
November 29, 2017

MNP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

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

		2017	2016
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5)	\$ 3,792,260	\$ 4,735,549
Accounts receivable (net after allowances)	(Note 3)	\$ 4,589,088	\$ 2,310,968
Portfolio investments	(Schedule 5)	\$ 10,000,000	\$ 12,000,000
Other financial assets		\$ -	\$ -
Total financial assets		\$ 18,381,348	\$ 19,046,517
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 4)	\$ 6,525,802	\$ 7,518,122
Deferred revenue	(Note 5)	\$ 126,261,371	\$ 110,236,657
Employee future benefits liabilities	(Note 6)	\$ 534,784	\$ 442,819
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Mortgages		\$ -	\$ -
Capital leases		\$ -	\$ -
Total liabilities		\$ 133,321,957	\$ 118,197,598
Net financial assets (debt)		\$ (114,940,609)	\$ (99,151,081)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)		
Land		\$ 2,394,945	\$ 2,394,945
Construction in progress		\$ 19,124,334	\$ 2,256,764
Buildings		\$ 178,603,959	
Less: Accumulated amortization		\$ (74,292,578)	\$ 104,311,381
Equipment		\$ 11,909,947	
Less: Accumulated amortization		\$ (6,791,047)	\$ 5,118,900
Vehicles		\$ 1,342,751	
Less: Accumulated amortization		\$ (1,020,638)	\$ 322,113
Computer Equipment		\$ 1,063,029	
Less: Accumulated amortization		\$ (741,478)	\$ 321,551
Total tangible capital assets		\$ 131,593,224	\$ 115,504,345
Prepaid expenses	(Note 7)	\$ 650,868	\$ 1,367,423
Other non-financial assets	(Note 8)	\$ 439,557	\$ 256,880
Total non-financial assets		\$ 132,683,649	\$ 117,128,648
Accumulated surplus	(Schedule 1; Note 9)	\$ 17,743,040	\$ 17,977,567
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 17,743,040	\$ 17,977,567
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 17,743,040	\$ 17,977,567
Contractual obligations	(Note 10)		
Contingent liabilities	(Note 11)		

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

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

	Budget 2017	Actual 2017	Actual 2016
REVENUES			
Alberta Education	\$ 116,438,701	\$ 119,852,261	\$ 114,367,958
Other - Government of Alberta	\$ 380,726	\$ 448,088	\$ 396,490
Federal Government and First Nations	\$ -	\$ 11,306	\$ 5,536
Other Alberta school authorities	\$ 18,405	\$ 169,701	\$ 29,642
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 3,781,901	\$ 3,650,398	\$ 2,605,284
Other sales and services	\$ 2,064,263	\$ 2,417,053	\$ 2,069,377
Investment income	\$ 262,782	\$ 258,423	\$ 289,045
Gifts and donations	\$ 318,000	\$ 322,130	\$ 411,308
Rental of facilities	\$ 110,000	\$ 121,369	\$ 122,690
Fundraising	\$ 683,000	\$ 578,309	\$ 825,474
Gains on disposal of capital assets	\$ -	\$ 31,403	\$ 5,917
Other revenue	\$ -	\$ -	\$ 54,959
Total revenues	\$ 124,057,778	\$ 127,860,441	\$ 121,183,680
EXPENSES			
Instruction - ECS	\$ 7,737,457	\$ 9,900,624	\$ 8,422,546
Instruction - Grades 1 - 12	\$ 92,468,296	\$ 93,180,546	\$ 88,781,397
Plant operations and maintenance	\$ 16,276,600	\$ 16,203,758	\$ 15,805,571
Transportation	\$ 4,383,611	\$ 4,333,529	\$ 4,451,248
Board & system administration	\$ 4,185,287	\$ 4,005,845	\$ 3,849,031
External services	\$ 500,022	\$ 470,666	\$ 480,371
Total expenses	\$ 125,551,273	\$ 128,094,968	\$ 121,790,164
Operating surplus (deficit)	\$ (1,493,495)	\$ (234,527)	\$ (606,484)

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

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

	2017	2016
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (234,527)	\$ (606,484)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 5,364,720	\$ 4,739,504
Gains on disposal of tangible capital assets	\$ (31,403)	\$ (5,917)
Losses on disposal of tangible capital assets	\$ 9,520	\$ 7,388
Expended deferred capital revenue recognition	\$ (4,570,116)	\$ (3,954,131)
Deferred capital revenue write-down / adjustment	\$ (1,458)	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (2,278,120)	\$ 225,675
Prepays	\$ 716,555	\$ (893,258)
Other financial assets	\$ -	\$ -
Non-financial assets	\$ (182,677)	\$ 95,370
Accounts payable, accrued and other liabilities	\$ (992,320)	\$ 1,047,328
Deferred revenue (excluding EDCR)	\$ 6,150,771	\$ 8,201,033
Employee future benefit liabilities	\$ 91,965	\$ 121,619
Capital in accounts payable	\$ (2,001,041)	\$ (2,386,638)
Total cash flows from operating transactions	\$ 2,041,869	\$ 6,591,489
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (5,490,798)	\$ (9,640,687)
Equipment	\$ (1,410,170)	\$ (1,409,267)
Vehicles	\$ (70,682)	\$ (113,073)
Computer equipment	\$ (61,991)	\$ (136,627)
Net proceeds from disposal of unsupported capital assets	\$ 7,000	\$ 5,917
Capital in accounts payable and non-cash proceeds	\$ 2,041,483	\$ 2,386,638
Total cash flows from capital transactions	\$ (4,985,158)	\$ (8,907,099)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ (2,000,000)
Dispositions of portfolio investments	\$ 2,000,000	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 2,000,000	\$ (2,000,000)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ (943,289)	\$ (4,315,610)
Cash and cash equivalents, at beginning of year	\$ 4,735,549	\$ 9,051,159
Cash and cash equivalents, at end of year	\$ 3,792,260	\$ 4,735,549

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

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

	Budget 2017	2017	2016
Operating surplus (deficit)	\$ (1,493,495)	\$ (234,527)	\$ (606,484)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (1,097,802)	\$ (21,479,158)	\$ (24,947,595)
Amortization of tangible capital assets	\$ 5,924,793	\$ 5,364,720	\$ 4,739,504
Net carrying value of tangible capital assets disposed of	\$ -	\$ 25,559	\$ 7,388
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 4,826,991	\$ (16,088,879)	\$ (20,200,703)
Changes in:			
Prepaid expenses	\$ -	\$ 716,555	\$ (893,258)
Other non-financial assets	\$ -	\$ (182,677)	\$ 95,370
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ 3,333,496	\$ (15,789,528)	\$ (21,605,075)
Net financial assets (net debt) at beginning of year	\$ (99,151,081)	\$ (99,151,081)	\$ (77,546,006)
Net financial assets (net debt) at end of year	\$ (95,817,585)	\$ (114,940,609)	\$ (99,151,081)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

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

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

SCHEDULE 1

School Jurisdiction Code:

2245

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

	ACCUMULATED SURPLUS	ACCUMULATED RE MEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2016	\$ 17,977,567	\$ -	\$ 17,977,567	\$ 6,916,782	\$ -	\$ 435,815	\$ 7,790,587	\$ 2,834,383
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 17,977,567	\$ -	\$ 17,977,567	\$ 6,916,782	\$ -	\$ 435,815	\$ 7,790,587	\$ 2,834,383
Operating surplus (deficit)	\$ (234,527)		\$ (234,527)			\$ (234,527)		
Board funded tangible capital asset additions				\$ 645,702		\$ -	\$ (56,222)	\$ (589,480)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (25,559)		\$ (21,883)		\$ 47,442
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -	\$ -	\$ -		\$ -		\$ -
Endowment expenses & disbursements	\$ -		\$ -		\$ -	\$ -		
Endowment contributions	\$ -		\$ -		\$ -	\$ -		
Reinvested endowment income	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus (Describe)	\$ -		\$ -		\$ -	\$ -		\$ -
Amortization of tangible capital assets	\$ -		\$ -	\$ (5,364,720)		\$ 5,364,720		
Capital revenue recognized	\$ -		\$ -	\$ 4,570,116		\$ (4,570,116)		
Debt principal repayments (unsupported)	\$ -		\$ -	\$ -		\$ -		
Additional capital debt or capital leases	\$ -		\$ -	\$ -		\$ -		
Net transfers to operating reserves	\$ -		\$ -			\$ (2,250,557)	\$ 2,250,557	
Net transfers from operating reserves	\$ -		\$ -			\$ 2,278,654	\$ (2,278,654)	
Net transfers to capital reserves	\$ -		\$ -			\$ (756,899)		\$ 756,899
Net transfers from capital reserves	\$ -		\$ -			\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 17,743,040	\$ -	\$ 17,743,040	\$ 6,742,321	\$ -	\$ 245,207	\$ 7,706,268	\$ 3,049,244

SCHEDULE 1

School Jurisdiction Code: 2245

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM											
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services			
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2016	\$ 4,683,484	\$ 1,258,869	\$ 664,738	\$ 603,467	\$ 1,538,576	\$ 677,430	\$ 778,306	\$ 294,617	\$ 125,483	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 4,683,484	\$ 1,258,869	\$ 664,738	\$ 603,467	\$ 1,538,576	\$ 677,430	\$ 778,306	\$ 294,617	\$ 125,483	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ (56,222)	\$ (321,643)		\$ (256,736)		\$ (11,101)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ 47,442		\$ -		\$ -				\$ -
Write-down of unsupported tangible capital assets or board funded portion of supported assets		\$ -		\$ -		\$ -		\$ -				\$ -
Net remeasurement gains (losses) for the year												
Endowment expenses & disbursements												
Endowment contributions												
Reinvested endowment income												
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets												
Capital revenue recognized												
Debt principal repayments (unsupported)												
Additional capital debt or capital leases												
Net transfers to operating reserves	\$ 1,384,247		\$ -		\$ 933,025		\$ 58,768		\$ (125,483)			
Net transfers from operating reserves	\$ (1,953,120)		\$ (67,216)		\$ (110,542)		\$ (147,776)		\$ -			
Net transfers to capital reserves		\$ 288,917		\$ 412,466		\$ 55,516						\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -						\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 4,058,389	\$ 1,226,143	\$ 597,522	\$ 806,639	\$ 2,361,059	\$ 721,845	\$ 689,298	\$ 294,617	\$ -	\$ -	\$ -	\$ -

SCHEDULE 2

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2016	\$ 162,305	\$ -	\$ -	\$ -	\$ 108,587,564
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 162,305	\$ -	\$ -	\$ -	\$ 108,587,564
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 4,135,723				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources:	\$ -			\$ 71,159	
Other sources:				\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ 2,901,590				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 8,414	\$ -	\$ -	\$ 2,258	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta Infrastructure managed projects					\$ 14,323,366
Transferred in (out) tangible capital assets (amortizable, @ net book value)		From unfunded assets			\$ 122,151
Expended capital revenue - current year	\$ (6,315,321)	\$ -	\$ -	\$ (71,159)	\$ 6,386,480
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments: Direct Reduction in Funding		\$ -	\$ -	\$ -	\$ (1,458)
Capital revenue recognized - Alberta Education					\$ 4,150,468
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ 419,648
Balance at August 31, 2017	\$ 892,711	\$ -	\$ -	\$ 2,258	\$ 124,850,903
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 894,969	

Unexpended Deferred Capital Revenue

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

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

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

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

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	Supported Capital & Debt Services	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 2,714,149	\$ 650,919	\$ -	\$ -	\$ 440,456			\$ 3,805,524	\$ 3,606,515
Uncertificated benefits	\$ 670,546	\$ 169,839	\$ -	\$ -	\$ 99,708			\$ 940,093	\$ 904,458
Sub-total Remuneration	\$ 3,384,695	\$ 820,758	\$ -	\$ -	\$ 540,164			\$ 4,745,617	\$ 4,510,973
Supplies and services	\$ 348,893	\$ 1,282,854	\$ -	\$ 2,677,042	\$ 8,862			\$ 4,317,651	\$ 5,017,186
Electricity			\$ 1,170,943					\$ 1,170,943	\$ 1,098,342
Natural gas/heating fuel			\$ 675,443					\$ 675,443	\$ 514,219
Sewer and water			\$ 142,231					\$ 142,231	\$ 141,151
Telecommunications			\$ 28,339					\$ 28,339	\$ 27,224
Insurance					\$ 361,869			\$ 361,869	\$ 346,786
ASAP maintenance & renewal payments							\$ 540,985	\$ 540,985	\$ 334,077
Amortization of tangible capital assets									
Supported							\$ 3,731,907	\$ 3,731,907	\$ 3,324,915
Unsupported						\$ 271,826		\$ 271,826	\$ 270,944
Total Amortization						\$ 271,826	\$ 3,731,907	\$ 4,003,733	\$ 3,595,859
Interest on capital debt									
Supported									
Unsupported									
Lease payments for facilities				\$ 216,947				\$ 216,947	\$ 219,695
Other interest charges									\$ 59
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 3,733,588	\$ 2,103,612	\$ 2,016,956	\$ 2,893,989	\$ 910,895	\$ 271,826	\$ 4,272,892	\$ 16,203,758	\$ 15,805,571

SQUARE METRES	2017 TOTAL Operations and Maintenance	2016 TOTAL Operations and Maintenance
School buildings	131,915.4	120,338.0
Non school buildings	5,055.0	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.

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

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

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

Cash & Cash Equivalents	2017			2016
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 3,792,260	\$ 3,792,260	\$ 4,735,549
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Municipal	0.00%	-	-	-
Pooled investment funds	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 3,792,260	\$ 3,792,260	\$ 4,735,549

Portfolio Investments	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	1.74%	10,000,000	10,000,000	10,000,000	12,000,000
Fixed income securities					
Government of Canada, direct and guaranteed	0.00%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	0.00%	-	-	-	-
Municipal	0.00%	-	-	-	-
Corporate	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Equities					
Canadian	0.00%	\$ -	\$ -	\$ -	\$ -
Foreign	0.00%	-	-	-	-
Total equities	0.00%	-	-	-	-
Supplemental integrated pension plan assets	0.00%	\$ -	\$ -	\$ -	\$ -
Restricted investments	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total portfolio investments	1.74%	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 12,000,000

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

	2017	2016
Under 1 year	50.0%	75.0%
1 to 5 years	50.0%	25.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	100.0%	100.0%

SCHEDULE 6

School Jurisdiction Code: **2245**

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

	2017						2016 Total
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	
Historical cost							
Beginning of year	\$ 2,394,945	\$ 2,256,764	\$ 175,358,582	\$ 10,952,678	\$ 1,322,285	\$ 1,001,038	\$ 168,757,702
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	20,112,947	-	1,233,537	70,682	61,991	21,479,157
Transfers in (out)	-	(3,245,377)	3,245,377	-	-	-	-
Less disposals including write-offs	-	-	-	(276,268)	(50,216)	-	(326,484)
Historical cost, August 31, 2017	\$ 2,394,945	\$ 19,124,334	\$ 178,603,959	\$ 11,909,947	\$ 1,342,751	\$ 1,063,029	\$ 214,438,965
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 70,106,337	\$ 6,135,642	\$ 969,424	\$ 570,544	\$ 77,781,947
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	4,186,241	906,115	101,430	170,934	5,364,720
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(250,710)	(50,216)	-	(300,926)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 74,292,578	\$ 6,791,047	\$ 1,020,638	\$ 741,478	\$ 82,845,741
Net Book Value at August 31, 2017	\$ 2,394,945	\$ 19,124,334	\$ 104,311,381	\$ 5,118,900	\$ 322,113	\$ 321,551	\$ 131,593,224
Net Book Value at August 31, 2016	\$ 2,394,945	\$ 2,256,764	\$ 105,252,245	\$ 4,817,036	\$ 352,861	\$ 430,494	\$ 115,504,345

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

Tangible capital asset additions for the year ended August 31, 2017 include \$nil (2016 - \$303,082) of donated assets, \$14,323,366 (2016 - \$13,344,859) of direct contributions of assets from the Government of Alberta and \$122,151 (2016 - \$nil) of assets transferred from unfunded to funded additions. These are non-cash items and therefore not included on the statement of cash flows.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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

a) Cash and Cash Equivalents

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

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) 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 Schedule 5, the Schedule of Cash, Cash Equivalents, and Portfolio Investments.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Construction in progress is recorded as a transfer to the applicable asset class at substantial completion.
- Buildings include site and leasehold improvements as well as assets under capital lease.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the 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	25 to 50 years
Equipment	5 and 10 years
Vehicles	5 and 10 years
Computer Hardware and Software	3 and 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 PSAB 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, 2017**

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, early retirement benefits, and post-employment benefit continuation for the Superintendent. 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.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions with stipulations giving rise to an obligation that meets the definition of a liability are recognized as a liability. In such circumstances revenue is recognized as stipulations are met and the liability is settled. The following items fall under this category:

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

i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of Costs

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

j) Pensions

Pension costs included in these 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, 2017, the amount contributed by the Government was \$7,114,829 (2016 - \$6,999,485).

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 \$1,546,734 for the year ended August 31, 2017 (2016 - \$1,478,308). At December 31, 2016, the Local Authorities Pension Plan reported an actuarial deficiency of \$637,357,000 (2015 - deficiency of \$923,416,000).

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 \$26,655 (2016 - \$23,600). The purpose of SiPP is to enhance the LAPP/ATRF formula to a full 2% final average earnings pension plan.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2017 was \$96,900 (2016 - \$84,600). 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.

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 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 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. Revenue and expenses associated with being the banker board and administrator for the Regional Collaborative Service Delivery are reported as external services from Alberta Education.

The allocation of revenue and expenses are reported by program, source, and object on the Schedule of Program Operations.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

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

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 12.

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 and employee future benefit liabilities. 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 (Use of Estimates)

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

3. ACCOUNTS RECEIVABLE

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 551,027	\$ -	\$ 551,027	\$ 267,561
Alberta Education - Capital	2,901,591	-	2,901,591	894,260
Alberta Education - IMR	-	-	-	-
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	39,563	-	39,563	22,801
Treasury Board and Finance - Supported debenture principal	-	-	-	-
Treasury Board and Finance - Accrued interest on supported debentures	-	-	-	-
Alberta Health	59,490	-	59,490	44,023
Alberta Health Services	-	-	-	-
Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry (Labour)	7,798	-	7,798	-
Government of Alberta Ministry (Human Services)	-	-	-	175
Government of Alberta Ministries	-	-	-	-
Federal government	484,496	-	484,496	319,955
Municipalities	6,954	-	6,954	159,790
First Nations	-	-	-	-
Foundations	-	-	-	-
Other	538,169	-	538,169	602,403
Total	\$ 4,589,088	\$ -	\$ 4,589,088	\$ 2,310,968

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Alberta Education	\$ 2,796	\$ 165,049
Other Alberta school jurisdictions	834	1,085
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	-	16,401
Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries (Specify)	-	-
Other Government of Alberta ministries - Combined	1,008	1,052
Federal government	1,210,081	1,243,766
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	3,743	8,904
Accrued vacation pay liability	94,663	120,366
Other salaries & benefit costs	1,404,503	1,416,026
Other trade payables and accrued liabilities	3,808,174	4,545,473
Total	\$ 6,525,802	\$ 7,518,122

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

5. DEFERRED REVENUE

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

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2016	ADD: 2016/2017 Restricted Funds Received/ Receivable	DEDUCT: 2016/2017 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2015/2016 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2017
Unexpended deferred operating revenue					
Alberta Education:					
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -	\$ -
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renewal	199,419	2,826,664	(2,838,089)	-	187,994
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education def'd revenue (specify)	-	-	-	-	-
Other Alberta Education def'd revenue (specify)	-	-	-	-	-
Other Government of Alberta:					
(Specify ministry & program)	-	-	-	-	-
(Specify)	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	887,147	1,844,712	(2,583,561)	-	148,298
Fees	204,629	569,978	(774,607)	-	-
Donations	5,000	5,000	(5,000)	-	5,000
Transportation Revenue	190,593	223,957	(292,230)	-	122,320
Preschool	-	153,920	(102,033)	-	51,887
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 1,486,788	\$ 5,624,231	\$ (6,595,520)	\$ -	\$ 515,499
Unexpended deferred capital revenue (Schedule 2)	162,305	7,119,144	(6,386,480)	-	894,969
Expended deferred capital revenue (Schedule 2)	108,587,564	20,833,455	(4,570,116)	-	124,850,903
Total	\$ 110,236,657	\$ 33,576,830	\$ (17,552,116)	\$ -	\$ 126,261,371

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.

6. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2017	2016
Defined benefit pension plan liability	\$ 502,700	\$ 405,800
Accumulating sick pay liability (vested)	-	-
Accumulating sick pay liability (non-vested)	-	-
Other compensated absences	-	-
Post-employment benefits	32,084	37,019
Retirement allowances	-	-
Other termination benefits	-	-
Other employee future benefits	-	-
Total	\$ 534,784	\$ 442,819

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

6. EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

Defined benefit pension plan (SERP)

The expense and obligations are determined in accordance with PSAS 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.

Accrued benefit plan obligation

	2017	2016
Accrued benefit plan obligation, beginning of year	452,300	365,400
Accrual for services	60,200	55,200
Interest cost	25,100	20,600
Benefit payments	-	-
Actuarial loss on accrued benefit plan obligation	53,100	11,100
Accrued benefit plan obligation, end of year	590,700	452,300

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

	2017	2016
Accrued benefit obligation	(590,700)	(452,300)
Balance of unamortized amounts	88,000	46,500
Accrued benefit liability	(502,700)	(405,800)

Elements of defined benefit costs recognized in the year

	2017	2016
Current service cost	60,200	55,200
Interest costs	25,100	20,600
Amortization of experience gain (losses)	11,600	8,800
Defined benefit costs recognized	96,900	84,600

Significant assumption

	2017	2016
Accrued benefit obligation discount	4.70%	5.20%

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

7. PREPAID EXPENSES

	2017	2016
Prepaid insurance	\$ 212,632	\$ 204,972
Software Support & Licensing	310,178	290,429
Subscriptions	24,921	9,784
Membership	20,681	5,500
School Travel	11,344	635,600
US Dollar Foreign Exchange	22,920	16,843
Other	48,192	204,295
Total	<u>\$ 650,868</u>	<u>\$ 1,367,423</u>

8. OTHER NON-FINANCIAL ASSETS

	2017	2016
Inventory	\$ 439,557	\$ 256,880
Other (specify if significant)	-	-
Other	-	-
Total	<u>\$ 439,557</u>	<u>\$ 256,880</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

9. 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:

	2017	2016
Unrestricted surplus	\$ 245,207	\$ 435,815
Operating reserves	<u>7,706,268</u>	<u>7,790,587</u>
Accumulated surplus (deficit) from operations	7,951,475	8,226,402
Investment in tangible capital assets	6,742,321	6,916,782
Capital reserves	3,049,244	2,834,383
Endowments ⁽¹⁾	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 17,743,040</u>	<u>\$ 17,977,567</u>

Accumulated surplus from operations include school generated funds of \$896,784 (2016 - \$934,291). These funds are raised at the school level and are not available to spend at board level. The Regional Division's adjusted surplus from operations is calculated as follows:

	2017	2016
Accumulated surplus (deficit) from operations	\$ 7,951,475	\$ 8,226,402
Deduct: School generated funds included in accumulated surplus (Note 13)	<u>896,784</u>	<u>934,291</u>
Adjusted accumulated surplus (deficit) from operations ⁽¹⁾	<u>\$ 7,054,691</u>	<u>\$ 7,292,111</u>

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

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

10. CONTRACTUAL OBLIGATIONS

	2017	2016
Building projects ⁽¹⁾	\$ 13,353,140	\$ 5,605,453
Building leases ⁽²⁾	1,558,135	1,674,135
Service providers ⁽³⁾	-	-
Other (Specify)	-	-
Other	-	-
Total	\$ 14,911,275	\$ 7,279,588

⁽¹⁾ Building Projects: The Regional Division is committed to capital expenditures of \$13,353,140. This includes the modernization of JE Lapointe and various modular projects.

⁽²⁾ Building Leases: The Regional Division is committed to lease building space from the City of Leduc for the Black Gold Outreach School to August 31, 2033 for an annual amount of \$91,655, which is fully funded by Alberta Education through Outreach Funding.

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

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2017-2018	\$ 13,353,140	\$ 91,655	\$ -	\$ -	\$ -
2018-2019	-	91,655	-	-	-
2019-2020	-	91,655	-	-	-
2020-2021	-	91,655	-	-	-
2021-2022	-	91,655	-	-	-
Thereafter	-	1,099,860	-	-	-
	\$ 13,353,140	\$ 1,558,135	\$ -	\$ -	\$ -

11. 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.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

12. 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.

	2017	2016
Deferred salary leave plan	\$ 117,563	\$ 95,912
Scholarship trusts	99,411	103,361
Regional Collaborative Service Delivery (Banker board)	158,875	153,892
Regional Learning Consortium (Banker board)	-	-
SGF Social Trust	8,149	8,594
SGF Trust	7,434	10,852
MERFIP	9,668	8,342
Total	<u>\$ 401,100</u>	<u>\$ 380,953</u>

13. SCHOOL GENERATED FUNDS

	2017	2016
School Generated Funds, Beginning of Year	\$ 1,821,438	\$ 1,378,079
Gross Receipts:		
Fees	1,844,712	1,867,859
Fundraising	578,309	825,476
Gifts and donations	317,130	400,844
Grants to schools	7,530	11,335
Other sales and services	1,041,765	1,253,812
Total gross receipts	3,789,446	4,359,326
Total Related Expenses and Uses of Funds	4,274,115	3,442,113
Total Direct Costs Including Cost of Goods Sold to Raise Funds	291,687	473,854
School Generated Funds, End of Year	<u>\$ 1,045,082</u>	<u>\$ 1,821,438</u>
Balance included in Deferred Revenue*	\$ 148,298	\$ 887,147
Balance included in Accumulated Surplus (Operating Reserves)**	\$ 896,784	\$ 934,291

*Should agree with Deferred Revenue schedule ending balance

**Note that balance included in Accumulated Surplus should be left in Operating Reserves.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

14. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of the Regional Division. 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):				
Alberta Education				
Accounts receivable / Accounts payable	\$3,452,618	\$ 2,796		
Prepaid expenses / Deferred operating revenue	-	\$ 187,994		
Unexpended deferred capital revenue		\$ 892,711		
Expended deferred capital revenue		\$ 121,956,043	4,150,468	
Grant revenue & expenses			108,586,964	
ATRF payments made on behalf of district			7,114,829	
Other revenues & expenses			-	-
Other Alberta school jurisdictions	49,556	834	169,701	170,872
Alberta Treasury Board and Finance (Principal)	-			
Alberta Treasury Board and Finance (Accrued interest)	-		-	
Alberta Health	-	-	-	-
Alberta Health Services	59,490	-	347,472	2,233
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	3,080	19,209
Alberta Infrastructure	-	-	-	-
Human Services	-	-	59,267	-
Culture & Tourism	-	-	-	-
Other GOA ministry (Labour)	7,798	-	15,852	-
Other GOA ministry (Culture and Tourism)	-	-	20,775	-
Other GOA ministry (Agriculture)	-	-	-	8,064
Other GOA ministry (Northern Alberta Jubilee Auditorium)	-	-	-	5,933
Other GOA ministries	-	1,008	1,642	5,853
Other:				
Alberta Capital Financing Authority				
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2016/2017	\$3,569,462	\$ 123,041,386	\$120,470,050	\$ 212,164
TOTAL 2015/2016	\$1,238,144	\$ 105,889,524	\$114,794,090	\$ 232,168

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017**

15. 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.

16. FINANCIAL INSTRUMENTS

CREDIT CONCENTRATION

Accounts receivable from the provincial government in connection with grant revenue represents 77% (2016 - 53%) of total accounts receivable as at August 31, 2017. 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.

17. BUDGET AMOUNTS

The budget was prepared by the Regional Division and approved by the Board of Trustees on May 25, 2016.

SCHEDULE 8

UNAUDITED SCHEDULE OF FEES

for the Year Ending August 31, 2017 (in dollars)

	Budgeted Fee Revenues 2016/2017	Actual Fees Collected 2016/2017	Unexpended Balance at September 1, 2016*	Actual Fee Expenditures 2016/2017	Unexpended Balance at August 31, 2017*
Transportation Fees	\$292,500	\$292,230	\$0	\$292,230	\$0
Basic Instruction Fees					
Basic instruction supplies	\$730,401	\$756,916	\$0	\$691,148	\$65,768
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$122,000	\$134,166	\$322	\$116,638	\$17,850
Fees for optional courses	\$365,000	\$365,364	\$31,636	\$376,795	\$20,205
Activity fees	\$590,000	\$612,086	\$33,361	\$609,286	\$36,161
Early childhood services	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees					
Extracurricular fees	\$295,000	\$315,227	\$54,878	\$311,003	\$59,102
Non-curricular travel	\$1,336,000	\$1,146,639	\$9,486	\$1,143,635	\$12,490
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$51,000	\$27,770	\$8,604	\$25,454	\$10,920
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$3,781,901	\$3,650,398	\$138,287	\$3,566,189	\$222,496

*Unexpended balances cannot be less than \$0

	Actual 2017	Actual 2016 Restated
Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):		
Cafeteria sales, hot lunch, milk programs	\$224,309	\$202,625
Special events, graduation, tickets	\$269,413	\$237,907
International and out of province student revenue	\$41,300	\$35,400
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$267,017	\$260,571
Adult education revenue	\$32,720	\$20,450
Preschool	\$102,033	\$107,439
Child care & before and after school care	\$105,351	\$104,379
Lost item replacement fee	\$17,048	\$0
Concession/Vending	\$107,710	\$130,314
Library and Book Fair	\$87,094	\$114,219
Other - commissions, etc.	\$0	\$0
TOTAL	\$1,253,995	\$1,213,304

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	677	207	398		
Federally Funded Students					
REVENUES					
Alberta Education allocated funding	\$ 797,574	\$ 5,515,482	\$ 476,247	\$ 5,666,753	\$ 471,695
Other funding allocated by the board to the program	\$ -	\$ 848,853	\$ -	\$ 5,544,118	\$ -
TOTAL REVENUES	\$ 797,574	\$ 6,364,335	\$ 476,247	\$ 11,210,871	\$ 471,695
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 398,285	\$ 1,456,686	\$ 189,983	\$ 4,700,364	
Instructional non-certificated salaries & benefits	\$ 393,311	\$ 4,262,785	\$ 122,141	\$ 6,056,839	
SUB TOTAL	\$ 791,596	\$ 5,719,471	\$ 312,124	\$ 10,757,203	
Supplies, contracts and services	\$ 5,978	\$ 644,864	\$ 164,123	\$ 539,235	
Program planning, monitoring & evaluation	\$ -	\$ -	\$ -	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 797,574	\$ 6,364,335	\$ 476,247	\$ 11,296,438	
NET FUNDING SURPLUS (SHORTFALL)	\$ -	\$ -	\$ -	\$ (85,567)	

SCHEDULE 10

**UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES
for the Year Ended August 31, 2017 (in dollars)**

EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs				TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	TOTAL	
Office of the superintendent	\$ 386,312	\$ 64,867	\$ -	\$ 451,179	\$ -	\$ -	\$ -	\$ 451,179	
Educational administration (excluding superintendent)	\$ 326,782	\$ 64,867	\$ -	\$ 391,649	\$ -	\$ -	\$ -	\$ 391,649	
Business administration	\$ 1,069,414	\$ 373,634	\$ -	\$ 1,443,048	\$ -	\$ -	\$ -	\$ 1,443,048	
Board governance (Board of Trustees)	\$ 217,756	\$ 154,511	\$ -	\$ 372,267	\$ -	\$ -	\$ -	\$ 372,267	
Information technology	\$ 48,210	\$ 16,217	\$ -	\$ 64,427	\$ -	\$ -	\$ -	\$ 64,427	
Human resources	\$ 489,073	\$ 129,734	\$ -	\$ 618,807	\$ -	\$ -	\$ -	\$ 618,807	
Central purchasing, communications, marketing	\$ 108,098	\$ 32,433	\$ -	\$ 140,531	\$ -	\$ -	\$ -	\$ 140,531	
Payroll	\$ 258,173	\$ 97,301	\$ -	\$ 355,474	\$ -	\$ -	\$ -	\$ 355,474	
Administration - insurance			\$ 5,763	\$ 5,763				\$ 5,763	
Administration - amortization			\$ 152,442	\$ 152,442				\$ 152,442	
Administration - other (admin building, interest)			\$ 718	\$ 718				\$ 718	
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ 9,520	\$ 9,520	\$ -	\$ -	\$ -	\$ 9,520	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 2,903,818	\$ 933,564	\$ 168,463	\$ 4,005,845	\$ -	\$ -	\$ -	\$ 4,005,845	