

Lethbridge School District No. 51

ANNUAL FINANCIAL REPORT 2016-2017

FOR THE YEAR ENDED AUGUST 31, 2017
LETHBRIDGE, ALBERTA, CANADA

LETHBRIDGE SCHOOL DISTRICT NO. 51

**Lethbridge School District is inclusive, forward-thinking,
and accountable for engaging students in a breadth of
quality learning experiences that develop innovative
minds and responsible global citizens.**



Built in 1928, this former school was renovated to provide
much needed facility space for District Administration.
The Education Centre opened in July 2006.



ANNUAL FINANCIAL REPORT

2016- 2017

FOR THE YEAR ENDED AUGUST 31, 2017
LETHBRIDGE, ALBERTA, CANADA

PREPARED BY LETHBRIDGE SCHOOL DISTRICT NO. 51:
DIVISION OF BUSINESS AFFAIRS - FINANCE

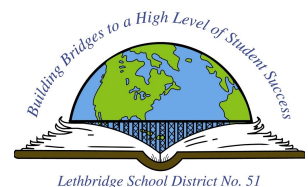




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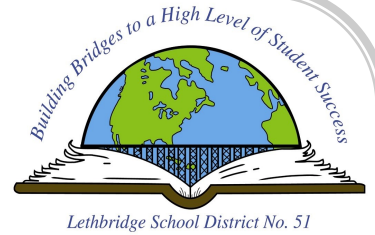
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SECTION ONE

WELCOME TO LETHBRIDGE SCHOOL DISTRICT NO. 51

WHO WE ARE

Lethbridge School District No. 51 ("LSD51") provides public education services to the citizens of the City of Lethbridge, Alberta, Canada. The District was established in 1886 and has proudly served our community for over 130 years.



LSD51 served approximately **10,650 students** from early education (pre-school) to grade twelve in 2016-2017. The District provides high quality learning experiences for students through a broad range of educational programs in twenty one (21) schools and four (4) institutional programs.

LSD51 is a local government entity established under the Alberta School Act; whereas, the District is chosen by and is accountable to the local community by means of local elections (elected Board of Trustees). The District delivers its educational programs under the authority of the Alberta School Act.

GEOGRAPHICAL INFORMATION

Lethbridge School District No. 51 is the public school system for the residents of the City of Lethbridge. The City has a population of approximately 96,800 residents and is located in the southern part of the Province of Alberta at latitude 49.7 degrees north and 112.8 degrees east longitude and covers just over 124 square kilometers of land.

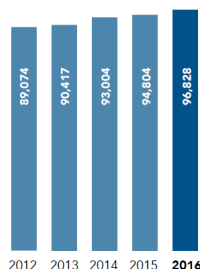
The City of Lethbridge is home to the University of Lethbridge, Lethbridge College, and the Lethbridge Research Centre, one of the largest agricultural research facilities in Canada. The City also houses two large manufacturing plants involved in raw product development.



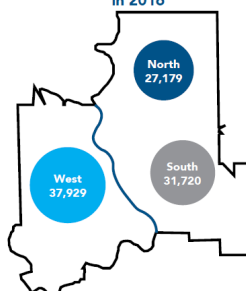
Population by Age and Sex in 2016

Age Group	Female	Male
0-14	8,016	8,367
15-24	8,646	8,155
25-44	13,041	13,638
45-64	11,389	10,789
65-74	4,211	3,733
75+	4,068	2,775
Total	49,371	47,457

Total Population



Population by Location in 2016



* Statistical information is an extract from the City of Lethbridge's 2016 Annual Report

Well situated in the south-western part of Alberta, Lethbridge residents enjoy access to state-of-the-art cultural and recreational facilities. Comprehensive retail services attract consumers from southern Alberta, south-eastern British Columbia and northern Montana.



CITY OF
Lethbridge



Lethbridge School District No. 51 operates 21 schools and other various outreach facilities throughout the City. Our schools have a grade structure comprised of the following:

- 13 Elementary Schools - kindergarten to grade five students
- 3 Middle Schools - grade six to eight students
- 5 High Schools - grade nine to twelve students
- 4 Institutional Programs

ELEMENTARY SCHOOLS

Elementary schools are schools that provide instruction to students from kindergarten to grade five, except for Lethbridge Christian School that provides instruction from kindergarten to grade eight.

Lethbridge School District No. 51 operates 13 elementary schools:



Agnes Davidson School
2103 20th St South
Grades 1-5 - 567 students



Lethbridge Christian School
3 St James Blvd North
Grades 1-8 - 155 students



Dr. Gerald B. Probe School
120 Rocky Mt Blvd West
Grades 1-5 - 478 students



Mike Mountain Horse School
155 Jerry Potts Blvd West
Grades 1-5 - 532 students



Fleetwood Bawden School
1222 9th Ave South
Grades 1-5 - 302 students



Nicholas Sheran Community School
380 Laval Blvd West
Grades 1-5 - 445 students



Galbraith School
1801 8th Ave A North
Grades 1-5 - 400 students



Park Meadows School
50 Meadowlark Blvd North
Grades 1-5 - 247 students



General Stewart School
215 Corvette Cres South
Grades 1-5 - 112 students



Senator Buchanan School
1101 7th Ave North
Grades 1-5 - 215 students



Immanuel Christian Elementary School
2010 - 5th Avenue North
Grades 1-5 - 206 students



Westminster School
402 18th St North
Grades 1-5 - 139 students



Lakeview School
1129 Henderson Lake Blvd South
Grades 1-5 - 438 students

*above student enrolment excludes early education (preschool) students.

During the year, an additional elementary school was under construction in West Lethbridge (Coalbanks Elementary School) which is to be opened for the 2017/2018 school year. Preliminary design of an additional elementary school was started for the Southeast side of Lethbridge.

MIDDLE SCHOOLS

Lethbridge School District No. 51 has three middle schools that educate students from grades six through grade eight.

The three middle schools in the jurisdiction are:



Gilbert Paterson Middle School

2109 12th Ave South
Grades 6-8 - 649 students



Wilson Middle School

2003 9th Ave North
Grades 6-8 - 581 students



G.S. Lakie Middle School

50 Blackfoot Blvd West
Grades 6-8 - 858 students

During the year, an additional middle school was under construction in West Lethbridge which is to be opened for the 2018/2019 school year.

HIGH SCHOOLS

Lethbridge School District No. 51 has five high schools offering instruction to students from grades nine through twelve, except for Immanuel Christian Secondary School that offers instruction to students in grades six through twelve.

The five high schools in the jurisdiction are:



Chinook High School

259 Britannia Blvd West
Grades 9-12 - 1,086 students



Winston Churchill High School

1605 15th Ave North
Grades 9-12 - 776 students



Immanuel Christian Secondary School

802 - 6th Avenue North
Grades 6-12 - 302 students



Victoria Park High School

1515 5th Ave South
Grades 9-12 - 296 students



Lethbridge Collegiate Institute

1701 5th Ave South
Grades 9-12 - 808 students

INSTITUTIONAL PROGRAMS

Lethbridge School District has four institutional programs:

- **CAMP (Lethbridge Regional Hospital School)** - both an inpatient and outpatient program for youth who require psychiatric treatment and mental health services as well as those patients requiring specialized assistance with school curriculum
- **Harbour House School** - provides interim education and support to students of women who reside at the Women's Emergency Shelter.
- **Pitawani School** - attached to the Sifton Family and Youth Services site and provides educational programming to students residing in the centre who have behavioral and emotional difficulties as well as students who are in Secure Services.
- **Stafford Ridge School (AADAC)** - located at AADAC's Youth Residential Treatment Center, provides a co-ed residential school within a 12 week voluntary addictions treatment program.

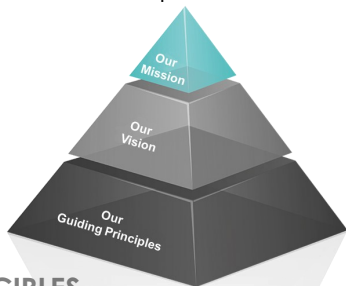
VISION, MISSION STATEMENT, & GUIDING PRINCIPLES

Vision

Thinkers
Confident
Successful
Innovative
Respectful
Learners

VISION STATEMENT

Our learners are innovative thinkers who are successful, confident, respectful and caring.



GUIDING PRINCIPLES

The Board believes a focus on learning builds capacity for continual improvement, innovative thinking, and confident, caring, and respectful citizens. The following principles provide the foundation for our learning system:

Learning Foundations

- Every child can learn
- Learning is a lifelong activity
- Learners that grow are adaptable and confident
- Students learn in different ways and at different rates
- Innovative thinkers engage critically and creatively

Cultural Foundations

- Schools are welcoming, safe, caring, and respectful
- Diversity is celebrated in an inclusive culture
- Students are empathetic and responsible for the well-being of self and others
- Schools inspire a passion for learning

System Foundations

- Our system functions within the structure of Alberta Education
- Priorities and decisions are further guided by collaboratively developed educational goals
- Parents/Guardians are foundational to their children's learning
- Quality education goes beyond the school walls and involves opportunities for engagement within the community
- High standards result in successful school completion and transition to the adult world.

Mission

Learning
Responsible
Innovative
Accountable
Breadth
Global
Citizens
Forward-Thinking
Engaging
Quality

MISSION STATEMENT

Lethbridge School District is inclusive, forward-thinking, and accountable for engaging students in a breadth of quality learning experiences that develop innovative minds and responsible global citizens.

BOARD OF TRUSTEES

Lethbridge School District No. 51 is governed by a seven-person Board of Trustees, which is elected every four years (previously three years) effective for the 2013 elections. All trustees are elected “at large” and do not specifically serve geographic locations within the City of Lethbridge.

Lethbridge School District No. 51

Board of Trustees 2013-2017



*Front Row L to R: Mich Forster, Jan Foster, Donna Hunt, Lola Major
Back Row L to R: Tyler Demers, Keith Fowler, Don Lacey*

The Board of Trustees (the “Board”) of Lethbridge School District No. 51 operates under the authority of the School Act (Statutes of Alberta, 1988) and policies and regulations pursuant to that legislation.

The Board is charged with the responsibility to ensure that each of its resident students are provided with an education program consistent with the requirements of the Alberta School Act and exercises its authority through policy, regulations, and resolutions approved at duly conducted meetings of the Board.

Members of the Board of Trustees elected to serve on the school board are:

Trustee

Mich Forster	Board Chair
Jan Foster	Board Vice Chair
Tyler Demers	Trustee
Keith Fowler	Trustee
Donna Hunt	Trustee
Don Lacey	Trustee
Lola Major	Trustee

Served from

October 2001 - 2004, 2007
October 1983 - 1992, 2007
October 2007 - 2010, 2013
October 2004
October 2013
October 2013
October 2007

Under the School Act, the Board is required to elect one of its members as Board Chair. The Chair is elected at the Board's organization meeting. The Board expects the Chair to provide leadership to the Board and act as its primary spokesperson. The Board expects that the Chair shall perform his/her duties in accordance with District policy, the School Act and other applicable provincial and federal statutes and regulations. In the absence of the Chair, the Vice-Chair shall perform the duties of the Chair and, when so acting, shall have all the power of the Chair.

In addition to setting the District's policies, the Board has also set a number of policies in relation to the mandate, authority, and protocols of the Board of Trustees. These policies are included in section 200 of the District's policies and are available on the District's website:

<http://www.lethsd.ab.ca/Policies.php>

The position of Superintendent is the administrative head of the organization and reports directly to the Board of Trustees.



ELECTIONS

2017

In October 2017 (subsequent to yearend), the District held its election with the City's municipal elections, in which four (4) of the trustees were re-elected, including Jan Foster, Donna Hunt, Lola Major and Tyler Demers. There were also three (3) new trustees elected, including Clark Bosch, Doug James and Christine Light.

ADMINISTRATION AND ORGANIZATIONAL STRUCTURE

The position of Superintendent is the administrative head of the organization and reports directly to the Board of Trustees. Reporting to the Superintendent are the three (3) Associate Superintendents and the members of the Superintendent's office.

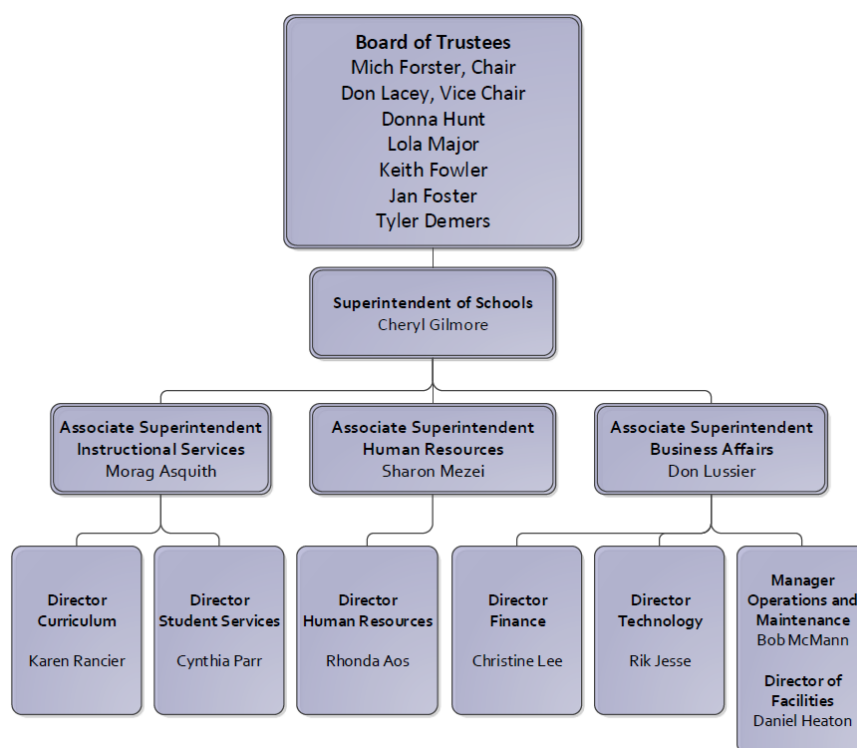
The Superintendent and the Associate Superintendents are the senior administrative officials that manage the operations of the District and formally operate as the Executive Council to the School Board. Lethbridge School District No. 51 Executive Council members are:

- ◆ Dr. Cheryl Gilmore, Superintendent
- ◆ Morag Asquith, Associate Superintendent, Instructional Services
- ◆ Don Lussier, Associate Superintendent, Business Affairs
- ◆ Sharon Mezei, Associate Superintendent, Human Resources

Due to the upcoming retirement of Don Lussier, effective September 1st, 2017 (subsequent to yearend), Christine Lee (previously the Director of Finance) obtained the position of Associate Superintendent, Business Affairs.

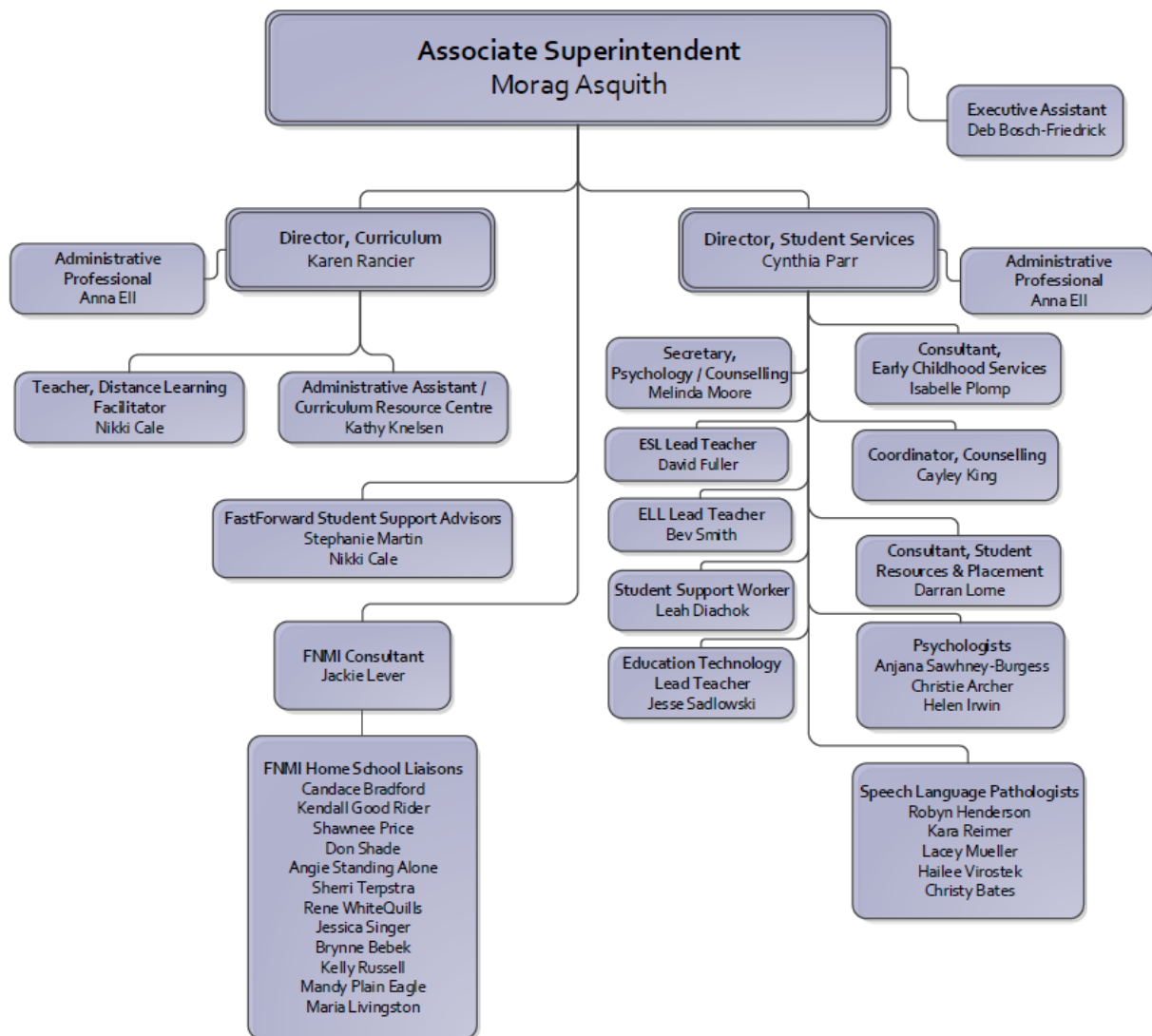
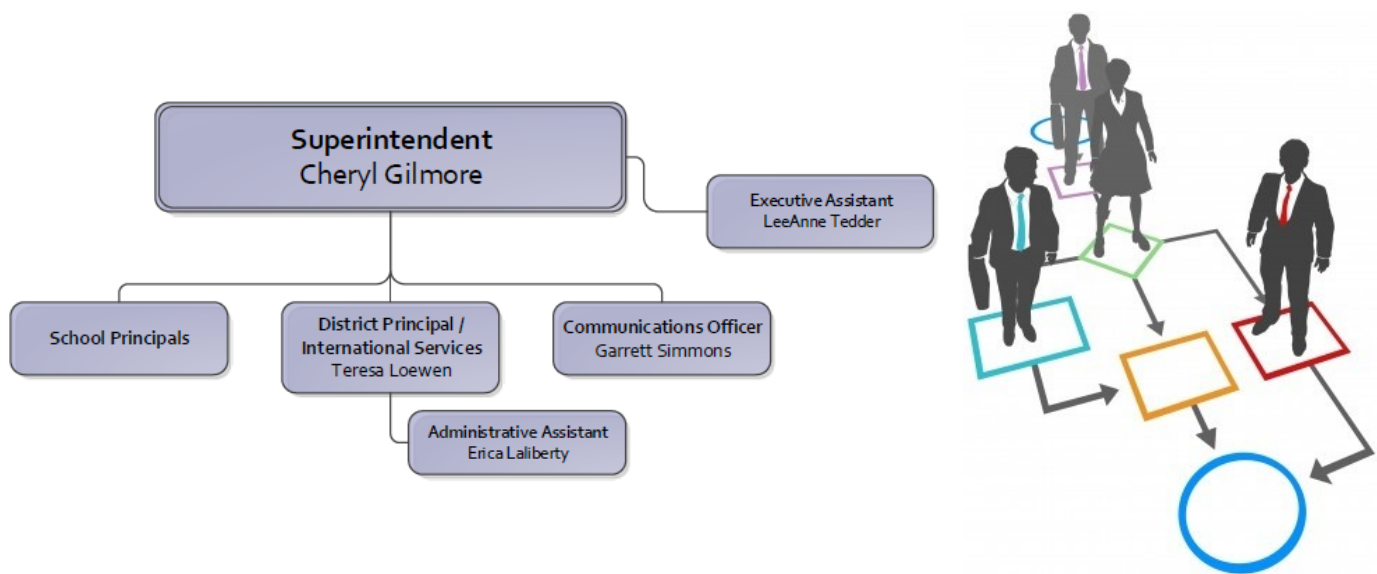
There was also a change in the Human Resources department, whereas, Sharon Mezei was named principal at G.S. Lakie Middle School, effective September 1st, 2017, Rik Jesse (previously the Director of Technology) obtained the position of Associate Superintendent, Human Resources.

ORGANIZATIONAL STRUCTURE/CHARTS



Due to some of the changes in the Associate Superintendents' positions (noted above) and other retirements, there were additional changes in the management structure. Christine Lee moved into the Associate Superintendent, Business Affairs; therefore, the vacancy of Director of Finance was filled by Mark DeBoer. Rik Jesse moved into the Associate Superintendent, Human Resources; in which, the vacancy of Director of Technology was filled by Jesse Sadlowski.

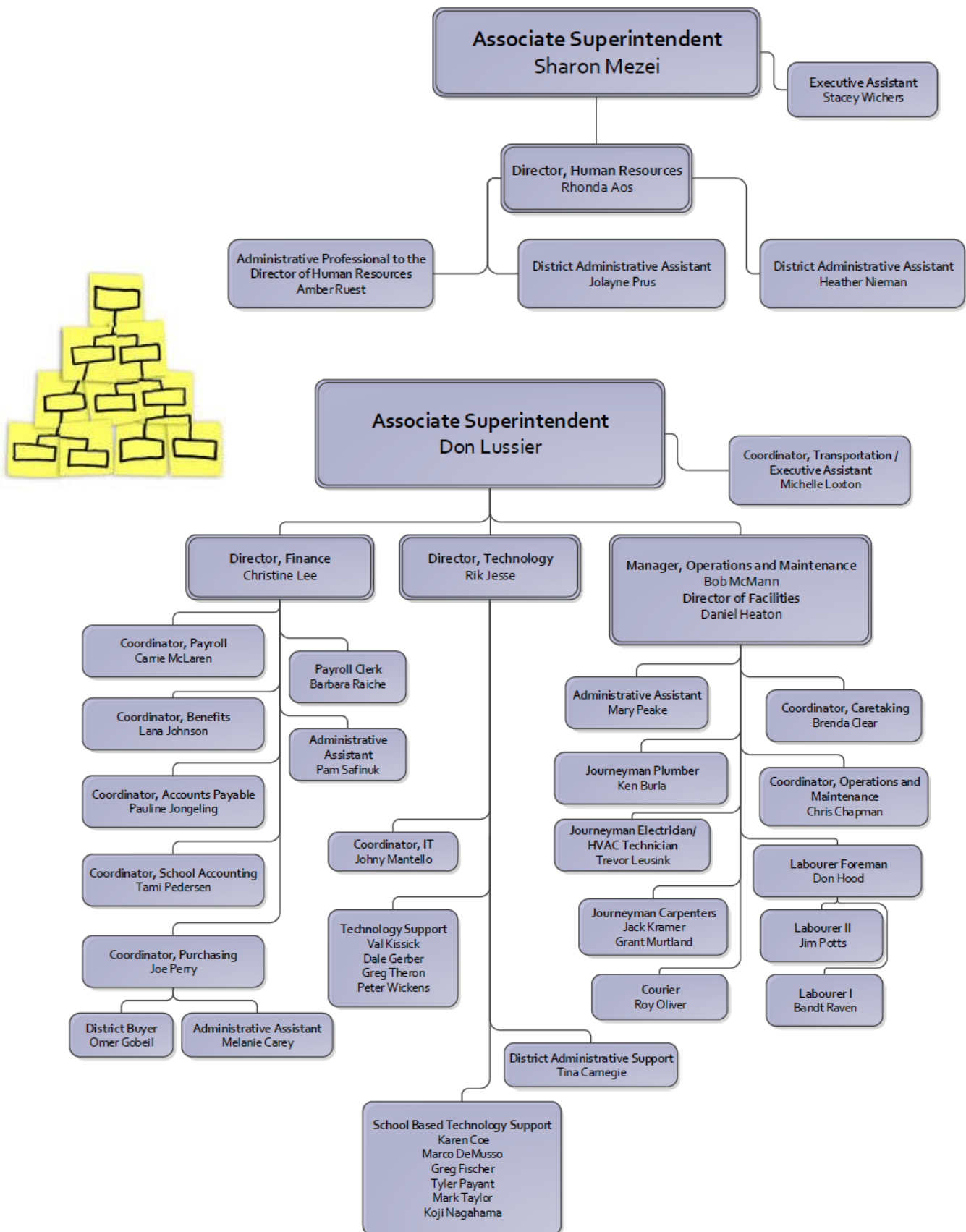
The Director of Student Services, Cynthia Parr retired during the year; whereas, this position was revised to the Director of Inclusive Education and was filled by Ann Muldoon. The Manager of Operations and Maintenance, Bob McMann retired during the year; in which, this position was revised to the Director of Facilities and filled by Daniel Heaton.



Organizational Chart

January 2017

ORGANIZATIONAL STRUCTURE/CHARTS - Continued



STRATEGIC PLAN AND BOARD PRIORITIES

As part of the three-year planning cycle, Alberta Education provides the District with Goals, Outcomes and Performance Measures. The District then develops local strategies and priorities to address the learning needs and achievement of outcomes for all students.

In 2004, Alberta Education introduced the Accountability Pillar. The Accountability Pillar places increased emphasis on the achievement of specific outcomes by evaluating and reporting results on a common set of measures. The focus of the Accountability Pillar is to improve school jurisdiction results. The Accountability Pillar performance measures are a required, consistent set of measures. An evaluation methodology has been developed which assesses each measure in the Accountability Pillar in terms of achievement and improvement.

Lethbridge School District No. 51 analyzes the results of the Accountability Pillar and develops strategies for improvement over the next three-year planning cycle. The Board of Trustees uses the Vision, Mission statement and Guiding Principal for the development of priorities and strategies.

Supporting Student Achievement and closing the achievement gap.

- Students achieve student learning outcomes with strong foundational skills in **literacy and numeracy**.
- Teachers possess a deep **understanding of pedagogy** (teaching methods) that develops literacy and numeracy.
- Students are **lifelong learners** possessing the skills and attributes to successfully transition to further education, credentialing or the world of work.
- First Nations, Metis and Inuit (**FNMI**) student achievement will meet or exceed provincial standards.
- Teachers are highly skilled in all areas of the **Teaching Quality Standard** and possess a deep understanding of pedagogy that develops literacy and numeracy.
- Effective learning and teaching is achieved through **collaborative leadership** and structures that build capacity.

Supporting the implementation of initiatives designed to develop innovative thinkers.

- Students demonstrate the attributes of **innovation, creativity and critical thinking**.
- **Learning is process-based** supported by instructional practices that engage students in creative and critical thinking.
- A breadth of **high quality programs** within and outside the classroom foster innovative thinking.
- All learners effectively **use technology** as creative and critical thinkers capable of understanding digital information and creating knowledge.
- All learners are responsible **digital citizens**.
- The education system demonstrates **collaboration and engagement**.

Supporting Student Diversity.

- Schools are **welcoming, caring, respectful and safe** learning environments.
- Schools are **inclusive** learning environments.
- Students with **diverse** learning and social needs are supported.
- Schools are learning environments that **promote healthy lifestyles**.

REPORT FROM THE DIRECTOR OF FINANCE

It is our pleasure to submit Lethbridge School District No.51's Annual Financial Report for the year ended August 31, 2017. The purpose of this Annual Financial Report is to provide our community with a clear and transparent insight into the financial information and results of the District. It also provides an opportunity to analyze and comment on the financial highlights and information of the District.

INTERNAL ACCOUNTING CONTROLS

Lethbridge School District No. 51 maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of the financial records. The controls are subject to regular reviews and revisions (if required). These controls include, but are not limited to, the financial policies set by Board of Trustees, administrative procedures, internal/external audits, and the budget process.

FINANCIAL POLICIES

Lethbridge School District No. 51 has a number of policies relating to the financials that are reviewed and approved by Board of Trustees, in conjunction with the review and recommendations of the District's Policy Advisory Committee. These policies are designed to ensure that there are appropriate controls in place to safeguard the District and to ensure that the District is compliant with the Alberta School Act, the Canadian Public Sector Accounting Standards, and other related legislation.

The District Policies are organized by the major categories:

100 - Educational Philosophy	600 - Educational Programs
200 - Board of Trustees	700 - Workplace Health and Safety
300 - Administration	800 - Business Procedures
400 - Staff Personnel	900 - Buildings and Sites
500 - Students	1000 - School, Community Relations

The following are some of the financial policies that are in place:



- Signing Authority (Policy 800.1)
- System Budgeting (Policy 801.1)
- Financial Planning and management (Policy 801.9)
- Financial Investment (Policy 802.4)
- Purchasing (Policy 803.1)
- Expense Reimbursements (Policy 803.8)
- Disposal of Property (Policy 902.5)

There are multiple other policies in place; in which, all of these policies are publically available on our website: <http://www.lethsd.ab.ca/Policies.php>

ADMINISTRATIVE PROCEDURES

Lethbridge School District No. 51 has a number of internal procedures that are used to document the steps and methods required to perform many of the financial tasks in the District's administration. These internal procedures allow for ensuring that the proper steps are taken for recording financial transactions to ensure accuracy, consistency, and that policies are being followed appropriately.

The District utilizes a centralized accounting process (other than the School Generated Funds - SGF); where the Business Affairs department is responsible for the common financial and computer systems used to record the financial transactions and information. These central activities account for the vast majority of the financial transactions; whereas, the SGF funds are tracked and recorded at the School level and only represent approx. 3% of the total revenues and expenses of the District. The Business Affairs department, in conjunction with all other departments, provide the annual financial statements and financial reporting to the Board of Trustees.



There are many Administrative Procedures that are publically available on our website:

<http://www.lethsd.ab.ca/Policies.php>

INTERNAL AUDITS

As the School Generated Funds (SGF) are the de-centralized financial activities, these SGF funds are subject to both internal and external audits. Internal audits are done by members of the Business Affairs department (specifically Finance) and these internal audits are completed on approx. 6-8 schools per year on a rotating schedule (as approved by the Board's Audit Committee). Through these internal audits, the District is able to determine areas of Best Practice and areas of improvements on these School Generated Funds.

EXTERNAL AUDITS

In accordance with the Alberta School Act, Section 146, the Board of Trustee appoints an independent auditor, BDO Canada Ltd, to report on the annual financial statements of the District. The auditors' responsibility is to express an opinion on whether or not the financial statements are presented fairly, in all material respects, in accordance with the Canadian Public Sector Accounting Standards.



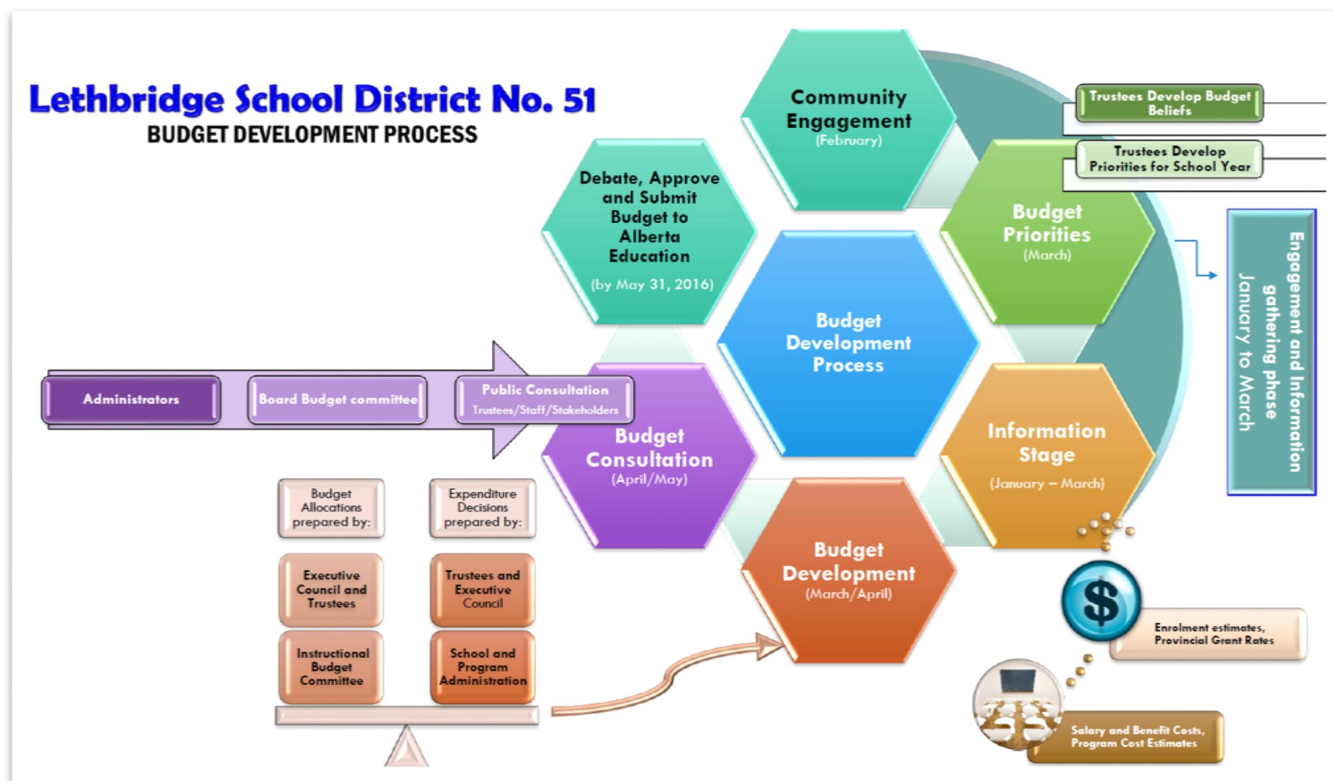
The auditors have full access to all of the District's financial records and information and they meet with staff, management, and the Board Audit Committee to discuss matters relating to the audit. The auditors provide the District with a management letter providing comments on the internal controls.

For the 2016/2017 Financial Statement audit, our auditors expressed a "clean" audit opinion, indicating that the financial statements are presented fairly. The auditors also did not have any management letter points for recommendations of improvements on the internal controls of the District for the 2016/2017 audit; thus, indicating the effectiveness of the District's internal controls.

In relation to the School Generated Funds (SGF), as these are decentralized, the District (through the Board's Audit Committee) requests the auditor to perform specified audit procedures on the SGF transactions, including review of controls on typically 4-6 schools per year (on a rotating basis). Management letter points are provided for potential improvements (where necessary).

BUDGET PROCESS

In accordance with the Alberta School Act, Section 147; the Board of Trustees are to approve a budget on an annual basis and submit it to the Minister of Education by May 31st for the upcoming school year (starting September 1st). Typically, the “May 31st” budget (which is the legally adopted budget) is developed from January to May preceding the budgeted school year, and approved as the Preliminary Budget. The Preliminary Budget is the budget included in the Financial Statements. The following is an overview of the budget process for the development of the Preliminary Budget:



The Operating Budget is usually approved by the Board of Trustees in November during the school year as the “September 30th” budget as the final information relating to the school year and funding is available. This includes the September 30th enrolment counts (which the majority of the funding is based on) and other factors that have been updated since the establishment of the Preliminary Budget. The Operating Budget is compared to actuals in review of the financial results of the departments and programs as this is a “more accurate” indicator of operating results.

After the Operating Budget is approved by the Board of Trustees, the expenditures are controlled against the budget by formal purchasing policies, financial systems, and financial reporting designed to prevent budget overruns.

FINANCIAL STATEMENT DISCUSSION & ANALYSIS

Lethbridge School District No. 51's 2016/2017 financial statements are prepared by management in accordance with the Canadian Public Sector Accounting Standards. Management is responsible for the preparation, integrity and objectivity of the financial statements. The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board of Trustees, through the Board Audit Committee, has reviewed the audited financial statements with management in detail and approved the financial statements for release.



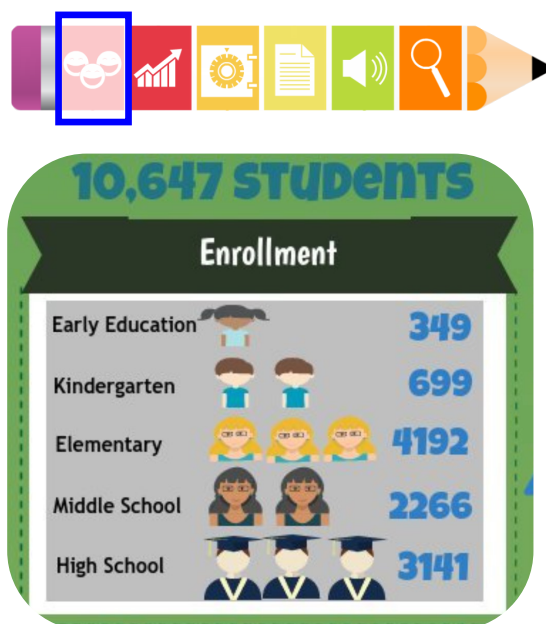
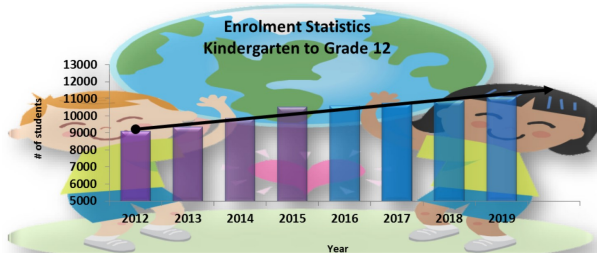
The following Financial Statement Discussion and Analysis is also prepared by management and is intended to expand on and explain information in the financial statements. The discussion & analysis is not part of the actual financial statement and therefore is not specifically audited.



EDUCATING OUR STUDENTS

The 2016-2017 enrolment was a total of **10,647 Students** of Early Education to Grade 12. This was a 1.46% increase in enrolment from the prior year.

Lethbridge School District No. 51 is a growing district as the growth of our student enrolment is largely due to the growth in the City of Lethbridge.





STATEMENT OF FINANCIAL POSITION



The Statement of Financial Position highlights the financial assets / liabilities, the non-financial assets, and the accumulated surplus. This statement is used to evaluate the District's ability to finance its financial liabilities and commitments.

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

	2017	2016	Change
FINANCIAL ASSETS			
Cash and cash equivalents	\$ 20,838,940	\$ 19,216,687	\$ 1,622,253
Accounts receivable (net after allowances)	\$ 5,579,257	\$ 5,528,136	\$ 51,121
Portfolio investments	\$ 83,918	\$ 84,037	\$ (119)
Total financial assets	\$ 26,502,115	\$ 24,828,860	\$ 1,673,255
LIABILITIES			
Accounts payable and accrued liabilities	\$ 7,793,088	\$ 7,279,008	\$ 514,080
Deferred revenue	\$ 131,181,244	\$ 111,694,460	\$ 19,486,784
Employee future benefits liabilities	\$ 15,539	\$ 20,325	\$ (4,786)
Supported: Debentures and other supported debt	\$ 46,853	\$ 243,626	\$ (196,773)
Total liabilities	\$ 139,036,724	\$ 119,237,419	\$ 19,799,305
Net financial assets (debt)	\$ (112,534,609)	\$ (94,408,559)	\$ (18,126,050)
NON-FINANCIAL ASSETS			
Tangible capital assets	\$ 132,944,553	\$ 114,647,653	\$ 18,296,900
Prepaid expenses	\$ 211,772	\$ 377,483	\$ (165,711)
Other non-financial assets	\$ 144,481	\$ 197,920	\$ (53,439)
Total non-financial assets	\$ 133,300,806	\$ 115,223,056	\$ 18,077,750
Accumulated Surplus	\$ 20,766,197	\$ 20,814,497	\$ (48,300)

Total Financial Assets **\$26.5 Million**

Total Liabilities **\$139.0 Million**

Net Financial Assets (Debt) **(\$112.5 Million)**

Non Financial Assets **\$133.3 Million**

Accumulated Surplus **\$20.8 Million**

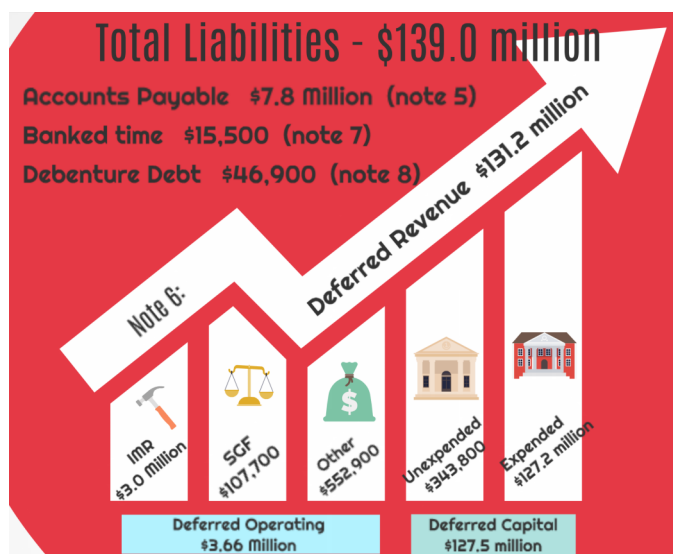
Excluding
\$127.2 Million
Expended
Deferred
Capital
Results Net Assets
\$14.65 Million

FINANCIAL ASSETS:

The majority of the Financial Assets relates to cash held by the District and accounts receivables.

Cash includes unspent capital contributions for capital projects, deferred operating revenues, endowment funds, and accumulated surplus from operations.

The majority of the accounts receivables relate to the approx. \$4.5 million from Alberta Education and the GST rebate from the Federal Government.



FINANCIAL LIABILITIES:

The majority of the Financial Liabilities relate to accounts payables and deferred revenues.

The accounts payable increased from the prior year due to the holdbacks on the capital projects (building construction and modernization of schools).

The majority of the deferred revenues relate to the Expended Deferred Capital Revenues. The Expended Deferred Capital Revenues is liability (for accounting purposes) back to the Alberta Education for the remaining net book value of all supported tangible capital assets (i.e. school buildings). The concept of this is that if the District was ever closed, these supported assets would be assumed by Alberta Education (as part of a stipulation/term of the funding agreement).

NET FINANCIAL ASSETS (DEBT):

The net of the Financial Assets and Liabilities result in \$112.5 Million of Net Financial Debt. A Net Financial Debt position is not necessarily an indication that a District is in financial difficulty.

The District's Net Financial Debt includes the \$127.2 million in the Expended Deferred Capital Revenues relating to the supported tangible capital (which would offset the balances in the Non-Financial Assets); therefore, if this amount is excluded, the resulting would be Net Financial Assets of \$14.65 Million. The exclusion of the Expended Deferred Capital Revenues provides a more realistic perspective of the District's financial position.



NON-FINANCIAL ASSETS:

The non-financial assets are comprised mostly of the Tangible Capital Assets (TCA), which are assets such as land, buildings, vehicles, and equipment.

The increase in the TCA is from the District constructing and acquiring approximately \$22.32 million in assets. These additions are somewhat offset by approx. \$3.94 million of amortization of the TCA. The majority of the TCA additions and amortization are on supported assets; therefore, correlates to the increases in the deferred revenues.



ACCUMULATED SURPLUS



The Statement of Financial Position indicates that the Accumulated Surplus is net of the Financial Assets/Liabilities with the Non-Financial Assets. As outlined in Schedule 1 of the Financial statements, the Accumulated Surplus is then comprised of four (4) main components: Unrestricted Surplus, Restricted Surplus (Operating and Capital Reserves), Endowments, and the Investment in Tangible Capital Assets.

Accumulated Surplus - Schedule 1	2017	2016	Change
Unrestricted Surplus	\$ 836,684	\$ 861,341	\$ (24,657)
Restricted Surplus:			
Operating Reserves	\$ 11,923,484	\$ 12,048,359	\$ (124,875)
Capital Reserves	\$ 1,921,512	\$ 1,985,515	\$ (64,003)
Endowments	\$ 319,874	\$ 319,874	\$ -
Investment in Tangible Capital Assets	\$ 5,764,643	\$ 5,599,408	\$ 165,235
Accumulated Surplus	\$ 20,766,197	\$ 20,814,497	\$ (48,300)

RESTRICTED SURPLUS (RESERVES):

The Restricted Surplus, otherwise known as Reserves, are internally restricted funds that have been set aside for future activities and projects.

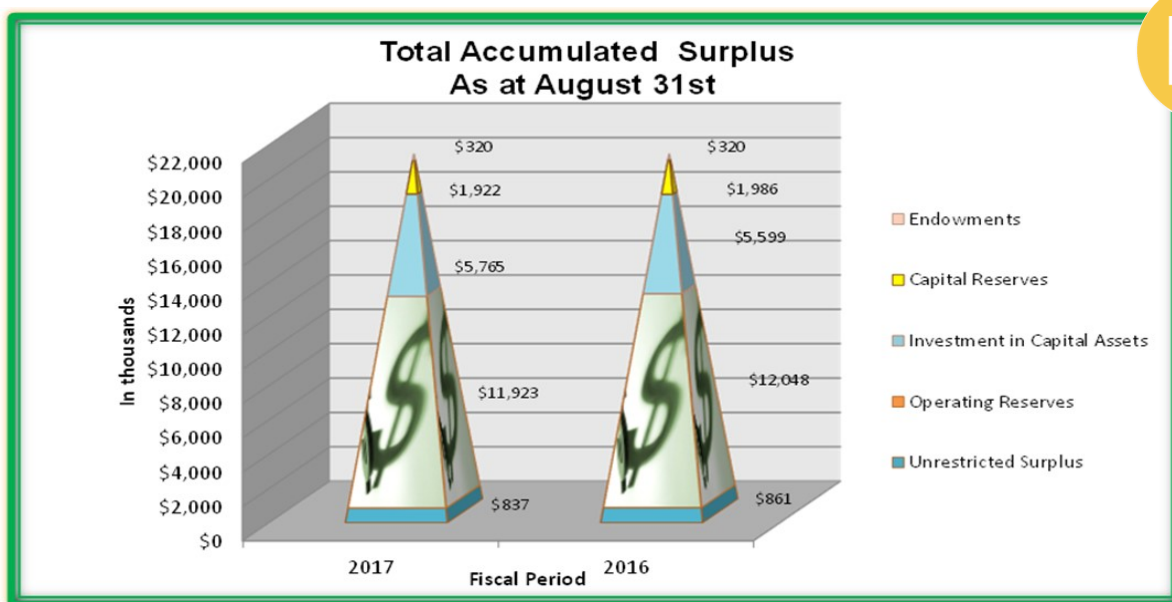
Restricted Surplus	2017		Total
	Operating	Capital	
School and Instruction Related	\$ 9,974,948	\$ 597,376	\$ 10,572,324
Operating and Maintenance	\$ 776,885	\$ 668,023	\$ 1,444,908
Board and System Administration	\$ 562,972	\$ 503,392	\$ 1,066,364
Transportation	\$ 545,560	\$ 152,721	\$ 698,281
External Services (International program)	\$ 63,119	\$ -	\$ 63,119
Restricted Surplus	\$ 11,923,484	\$ 1,921,512	\$ 13,844,996

The Operating Reserves are the funds to be utilized in future operating activities and projects including: carry-forward funds from the year to be utilized in the upcoming budget years; funding for technology evergreening; funds set aside for resources of new school sites, staff stability funding for future staffing increases, and other operating activities.

The Capital Reserves are funds that have been specifically set aside to fund future Board funded capital projects (Unsupported Tangible Capital Assets).

Once funds have been restricted as Capital Reserves they must be used for the capital projects (would require Ministerial approval to use for other purposes).

• School Based	\$1.6 Million
• School Generated Activities	\$2.5 Million
• Targeted priorities	\$2.0 Million
• Staffing Stability	\$1.3 Million
• Technology replacement	\$1.8 Million
• Inclusive Learning	\$285,200
• Bus replacement	\$400,000
• Maintenance	\$776,900



INVESTMENT IN TANGIBLE CAPITAL ASSETS:

The Tangible Capital Assets (TCA) are either funded by Alberta Education through capital grants (Supported TCA) or have been funded by the District's Board (Unsupported TCA). The Net Book Value is the cost of the TCA less the total accumulated amortization on the TCA (total amount that has been expensed as amortization on the asset). The following table reconciles the Net Book Value of the Supported and Unsupported TCA:

Tangible Capital Assets (Net Book Value)	2017		Total
	Supported	Unsupported	
Land	\$ -	\$ 1,715,118	\$ 1,715,118
Construction in Process	\$ 46,685,237		\$ 46,685,237
Buildings	\$ 78,498,065	\$ 2,341,844	\$ 80,839,909
Equipment	\$ 1,959,490	\$ 824,568	\$ 2,784,058
Vehicles	\$ 37,118	\$ 528,034	\$ 565,152
Computer equipment	\$ -	\$ 355,079	\$ 355,079
Total Tangible Capital Assets (Net Book Value)	\$ 127,179,910	\$ 5,764,643	\$ 132,944,553

The total Supported TCA of \$127.2 million agrees to the total Expended Deferred Capital Revenues as discussed in the deferred revenues, as this is the liability (for accounting purposes) on the remaining net book value of the supported assets.

The total Unsupported TCA of \$5.8 million agrees to the total Investment in Tangible Capital Assets included in the Accumulated Surplus, as this is the equity that the District has in the Board funded tangible capital assets.

ENDOWMENTS:

The endowments are funds that have been given to the District; in which, the funds and/or income from the endowment are to be used for specified purposes (i.e. scholarships). Currently, there are 31 different endowments that are in the District, having their funds held in perpetuity, where the interest from these funds are designated to the different scholarships.



STATEMENT OF OPERATIONS



The Statement of Operations highlights the District's revenues and expenses. This statement is mostly used to evaluate these revenues and expenses to the Approved Budget. It also provides the prior year data for comparative purposes.

	Approved May Budget	September 30th Budget	2016-2017 Actual	2015-2016 Actual
REVENUES				
Alberta Education	\$ 110,643,265	\$ 111,605,388	\$ 111,305,259	\$ 109,433,606
Other - Government of Alberta	\$ 498,453	\$ 498,453	\$ 485,505	\$ 519,963
Federal Government & First Nations	\$ 170,312	\$ 288,928	\$ 317,681	\$ 443,985
Fees	\$ 1,420,219	\$ 1,569,168	\$ 1,530,073	\$ 2,299,440
Other Sales & Services	\$ 950,226	\$ 721,526	\$ 1,317,898	\$ 1,034,141
Investment Income	\$ 143,000	\$ 143,000	\$ 181,980	\$ 173,949
Gifts and Donations	\$ 390,000	\$ 390,000	\$ 681,862	\$ 620,605
Rental of Facilities	\$ 35,900	\$ 34,704	\$ 32,904	\$ 34,704
Fundraising	\$ 2,461,000	\$ 2,461,000	\$ 2,029,497	\$ 2,482,034
Total revenues	\$ 116,712,375	\$ 117,712,167	\$ 117,882,659	\$ 117,042,427
EXPENSES				
Instruction - ECS	\$ 5,952,585	\$ 6,613,543	\$ 6,877,842	\$ 6,843,291
Instruction - Grades 1 - 12	\$ 93,305,148	\$ 95,683,198	\$ 91,002,015	\$ 88,255,372
Plant Operations & Maintenance	\$ 14,473,006	\$ 14,579,083	\$ 13,310,646	\$ 12,596,179
Transportation	\$ 2,499,462	\$ 2,499,462	\$ 2,477,281	\$ 2,593,367
Board & System Administration	\$ 3,953,550	\$ 3,930,851	\$ 3,979,508	\$ 3,605,870
External Services	\$ 253,000	\$ 252,999	\$ 283,667	\$ 257,646
Total expenses	\$ 120,436,751	\$ 123,559,136	\$ 117,930,959	\$ 114,151,725
Operating surplus (deficit)	\$ (3,724,376)	\$ (5,846,969)	\$ (48,300)	\$ 2,890,702

Note: The above budgets exclude the transfers to/from operating and capital reserves.

APPROVED MAY BUDGET

The Approved May Budget is the legally adopted budget of the 2016/2017 financial statements and is the budget that is included in the financial statements. This is the preliminary budget that was approved by the Board of Trustee on May 24th, 2016, and submitted to the Minister of Education of Alberta.

SEPTEMBER 30TH BUDGET UPDATE (Operating Budget):

The revised budget for the 2016-2017 school year reflects changes to the district budget as of September 30th, 2016, which includes the updated information on enrolment, grant funding, project costs, and other factors. Revenue in the revised budget increased over preliminary budget projections developed in May 2016. This increase is due to increased student enrolment at September 30th of 74 students (0.7%) above preliminary projections. An additional 0.5 full time equivalent teachers were hired as well as 8 additional support staff positions.



In the 2016-2017 budget, \$5.4 million of one-time reserves will be utilized for staffing in Inclusive Education, resources for French Immersion programming, Coalbanks Elementary school start-up costs, Literacy resources, staffing for ESL, Literacy and Technology integration support, supporting K&E programming at Victoria Park and technology evergreening at elementary schools.

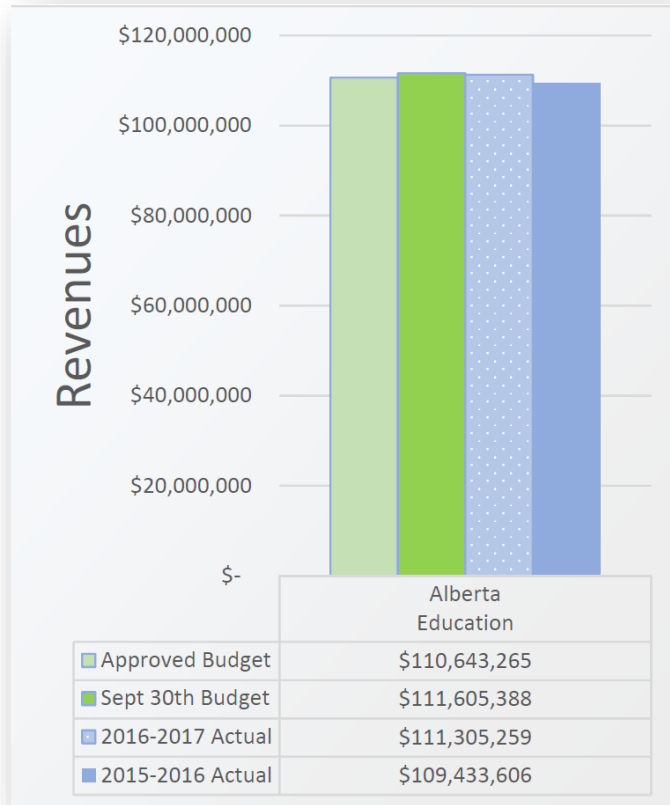


OPERATING REVENUES (by type)

The operating revenues include all of the funding and other revenues sources recognized for the District. The vast majority of the revenues relate to the funding received from Alberta Education. The chart below illustrates the source of funding for every \$100 of revenue as at August 31st, 2017.



The District had total revenues of \$117.9 million for the school year ended August 31, 2017. This was \$1.17 million higher than the \$116.7 million budget approved in May 2016; whereas, this was more comparable to the \$117.7 million included in the September 30th budget.



ALBERTA EDUCATION

Revenue from Alberta Education increased by \$962,000 compared to the May budget. The September 30th funding was higher due to grants for increased enrolment, Inclusive Education, and early learners requiring specialized supports. The September 30th budget amount is a more accurate figure as it consists of more current information.

The 2016/2017 actual funding recognized from Alberta Education was slightly less than the operating budget (Sept 30th budget) mostly due to the Infrastructure, Maintenance & Renewal (IMR) grant was recognized less than expected. The IMR revenues recognized are based on the total IMR expenditures incurred; whereas, not all the IMR projects were completed during the year (that were budgeted); any unexpended IMR grants revenues are retained in deferred revenues until spent.

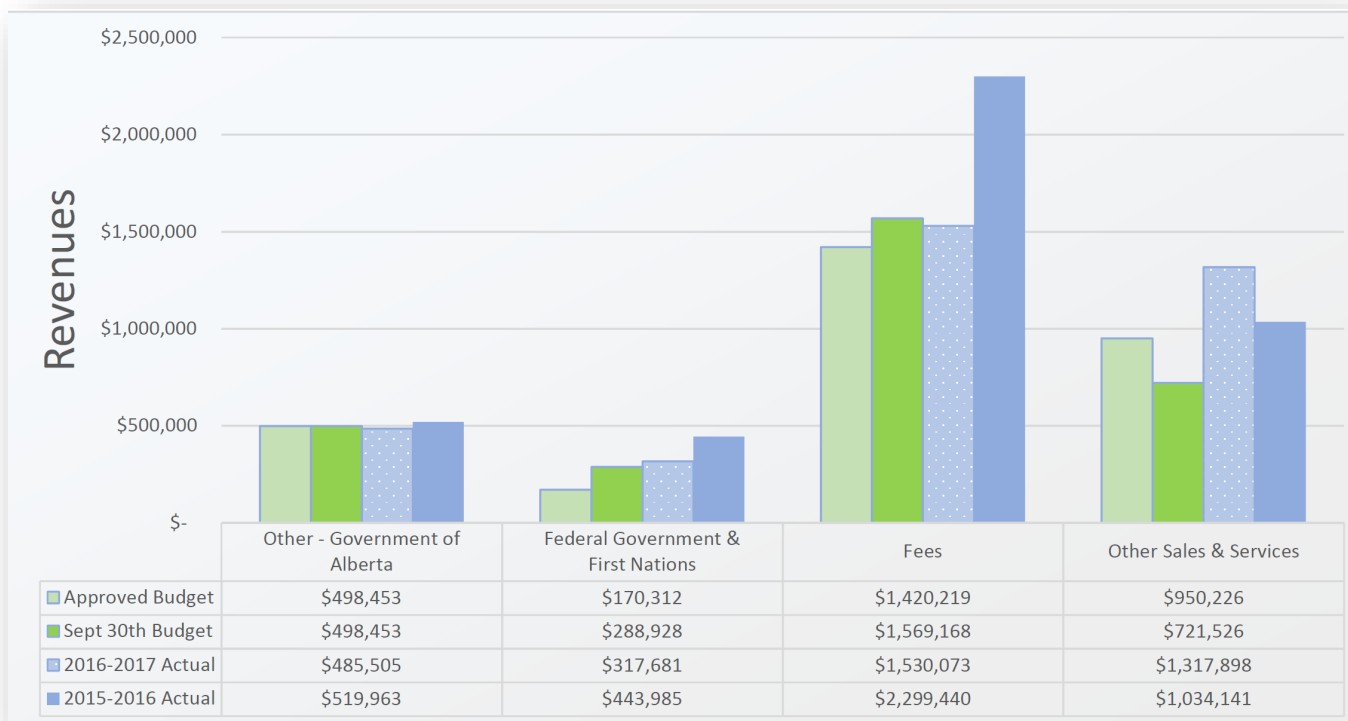
The funding from Alberta Education increased from the prior year, mostly due to increases in student enrolment (1.46% increase); in which, a large portion of these grants are based on student enrolment.



STATEMENT OF OPERATIONS - Continued

OPERATING REVENUES (by type) - Continued

The following is an analysis of the other of the District's revenues, including other grant funding from the Government of Alberta, Federal Government & First Nations, fees and other sales & services:



OTHER - GOVERNMENT OF ALBERTA

This revenue relates to interest paid on debenture debt that is paid on the District's behalf by Alberta Education to Alberta Treasury and Finance. It also includes grants received from Alberta Mental Health and Southwest Child and Family Services for the Making Connections Program.

Funding has remained relatively consistent.

FEDERAL GOVERNMENT & FIRST NATIONS

Represents amounts billed for tuition for students living on the Kainai reserve.

There was an increase in the number of students as compared to original budget projections and slightly higher than the September 30th budget.

The prior year federal funding was higher due to an approx. \$109,000 of federal funding received for staff secondments.

FEES

Reflects fees that are collected for optional programming, school generated activity fees, and preschool fees.

Overall, there was a decrease in fees compared to prior years as many of these student fees are no longer being charged by the District.



OTHER SALES & SERVICES

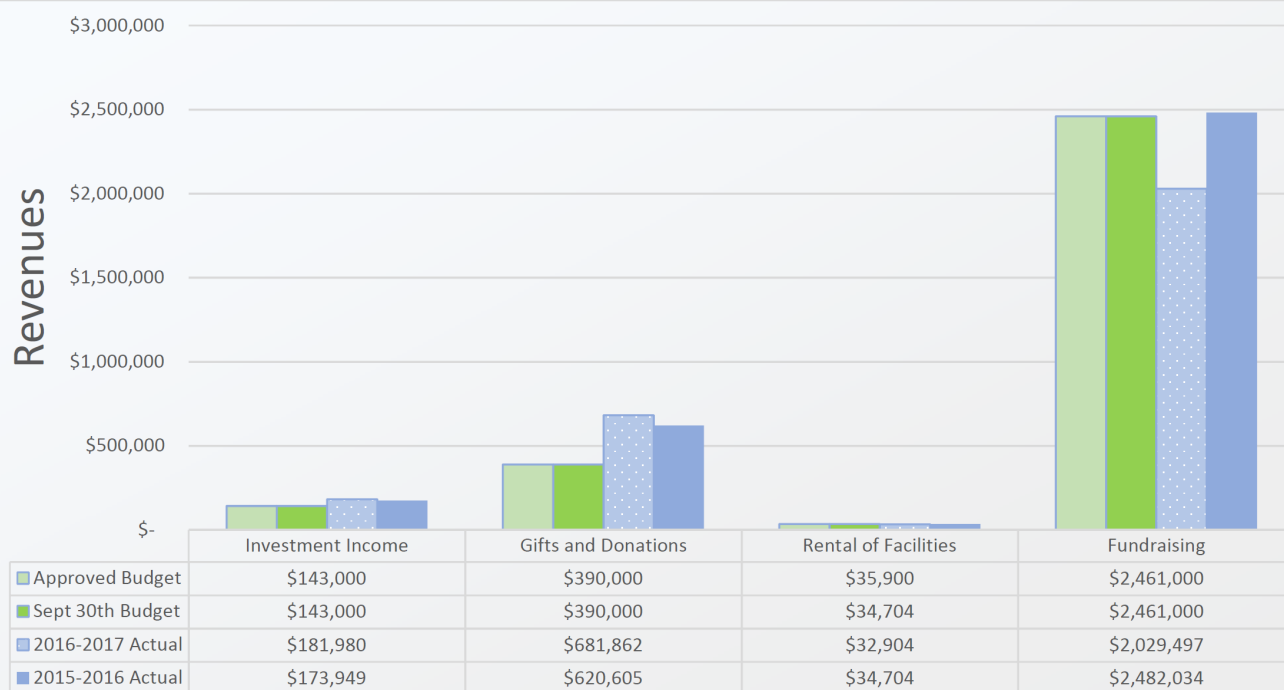
Other sales & services include funds received for staff that are seconded to the University of Lethbridge, homestay/insurance services for international students and other sales and services included in the school generated activities.

Increases from budget relate mostly to increases secondments, international student enrolment, and school generated activities.



OPERATING REVENUES (by type) - Continued

The following is an analysis of the remaining of the District's revenues, including investment income, gifts/donations, rental of facilities, and fundraising revenues:



INVESTMENT INCOME

Interest earned on operating revenue. Investment income has increased due to increased revenue received and unexpended throughout the year.



GIFTS AND DONATIONS

Gifts and donations that have been received directly by schools for student activities is higher than budgeted. Donations also include the donations received for the District's Poverty Intervention program.

Donations are more than the prior year due to donations received for playground replacement projects and for the Poverty Intervention Program.

RENTAL OF FACILITIES

Funds charged for use of facility space for external programs and operations such as the Southern Alberta Professional Development Consortia and the Boys and Girls Club of Lethbridge.

Rental revenues have remained relatively consistent.

FUNDRAISING

Funds raised for the benefit of school generated activities that are co-curricular in nature. Fundraising include a-thons, and fundraising sales.

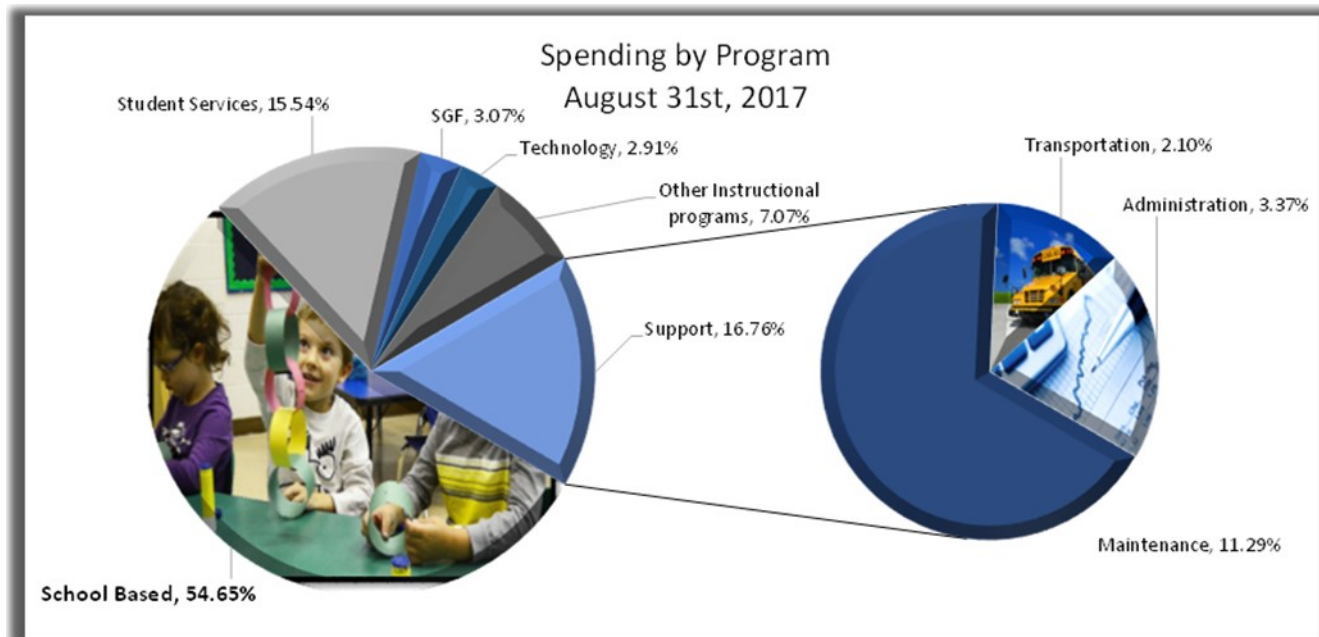
The actual fundraising revenues were less than the prior year as certain school generated activities were not done in the year. Related school expenses for those activities were also reduced accordingly.



STATEMENT OF OPERATIONS - Continued

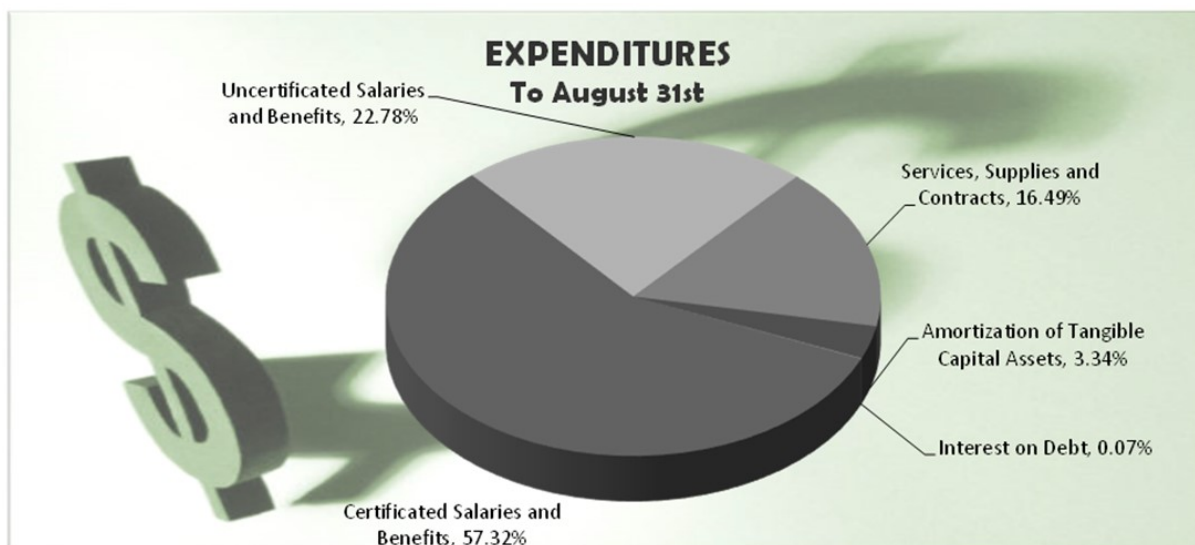
OPERATING EXPENSES

The Statement of Operations presents the operating expenses by each of the segments/program areas operating within the District, including: Instruction of ECS, Instruction of Grades 1-12, Plant Operations and Maintenance, Transportation, Board and System Administration, and External Services (International Program). Spending by major program area is illustrated below:



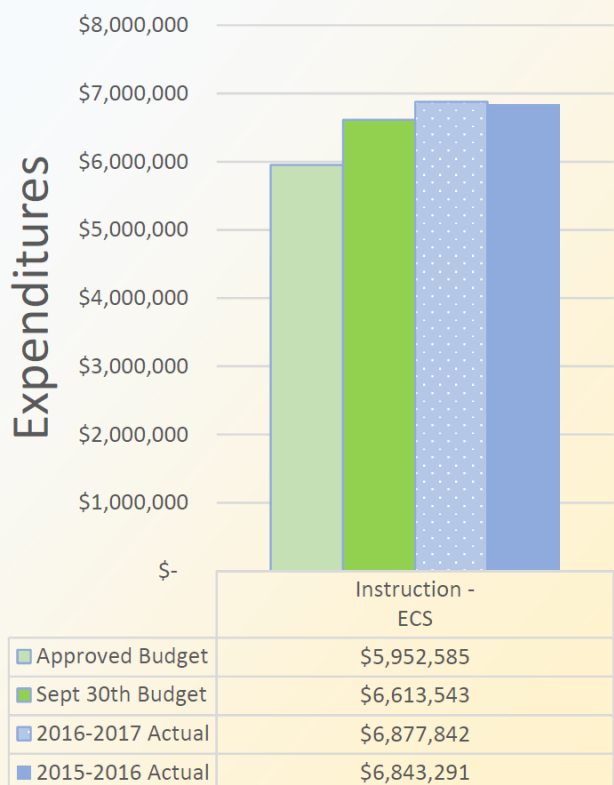
The District had total expenditures of \$117.9 million for the school year ended August 31, 2017. This was \$5.63 million lower than the \$123.56 million included in the September 30th budget. The majority of this reduction in expenditures related to the Grades 1-12 Instructional program and the Plant Operations and Maintenance program.

The Schedule of Program Operations (Schedule 3) provides additional analysis on the operating expenses by redisplaying the expenses by both program and type of expenditures (i.e. salaries, benefits, services/contracts/supplies, amortization, and interest). The following is a breakdown of the major types of expenses:





OPERATING EXPENSES (by program)



INSTRUCTION - ECS

Instruction ECS represents expenditures from early education to kindergarten, which includes the early education program, Program Unit Funding (PUF) for early learners requiring specialized supports, and the kindergarten program at elementary schools.

The ECS Instructional expenditures were higher than the September 30th operating budget due to the increases of staffing to support the increased enrolment (compared to budget). These increases correlates to the \$220,000 of additional ECS/PUF grant funding and preschool fees received from increased ECS student enrolment in these programs.

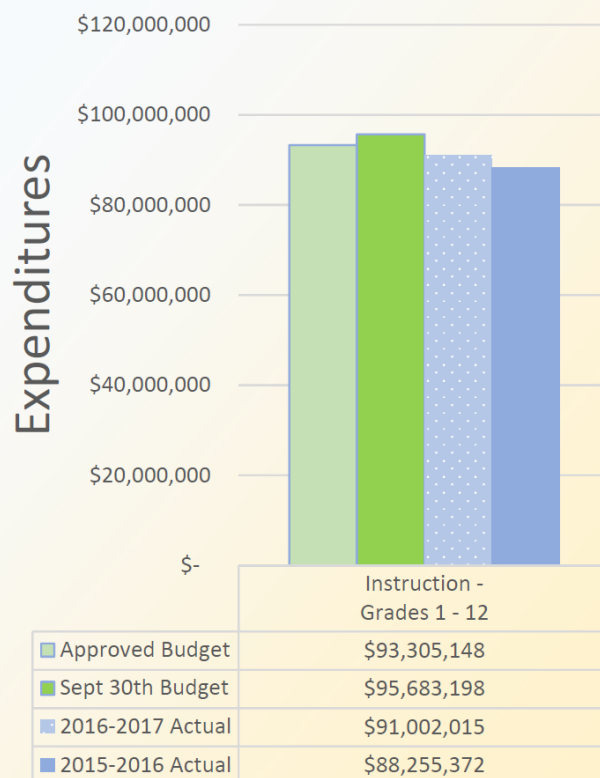
Overall, the ECS Instructional expenditures are comparable to the prior year with some increases based on enrolment.

INSTRUCTION - GRADES 1-12

Instruction Grades 1 – 12 represent expenditures from grade one to grade twelve, school generated activities and supporting programs such as Inclusive Education, Technology, Instructional support, counselling, First Nations Metis and Inuit (FNMI) programming, and Institutional programs.

The Grades 1-12 Instructional expenditures were \$4.63 million less than September 30th budget (approx. 4.8%). The majority of these reductions were in three areas: staffing, technology, and School Generated Funds (SGF). Staffing costs were less than budget due to that the actual teaching average salaries were less than originally budgeted (due to retirements and hiring new staff). Technology costs were less than expected in the evergreening cycle as there were significant cost savings with utilizing a collaborative buying group. SGF activities were less than projected as certain school activities were not done (reduction in both the expenses and revenues).

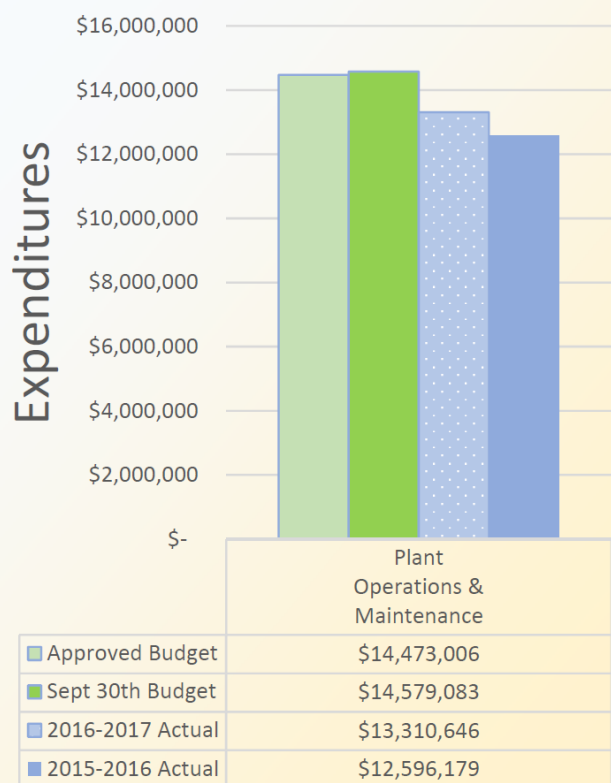
Increases from prior year relates to the increases in staffing costs and supplying the new elementary school. The staffing costs increased with hiring 13 FTE of teachers to assist in the increased student enrolment.





STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES (by program) - Continued



PLANT OPERATION & MAINTENANCE

Plant operations and maintenance expenditures represent spending on operating and maintaining the District's schools and facilities. These expenditures include: maintenance and caretaking personnel, utilities, contracted maintenance, and Infrastructure Maintenance and Renewal (IMR) projects.

Plant Operations and Maintenance expenditures were less than the September 30th budget due to the Infrastructure Maintenance and Renewal (IMR) projects. The IMR was approx. \$1.1 million less than budget as the District was not able to complete all of the projected projects throughout the year (as the budget is typically for all potential projects); whereas, this correlates to the reduction in the IMR grant funding as provided by Alberta Education. These unspent funds are retained in the deferred revenues until the projects can be completed.

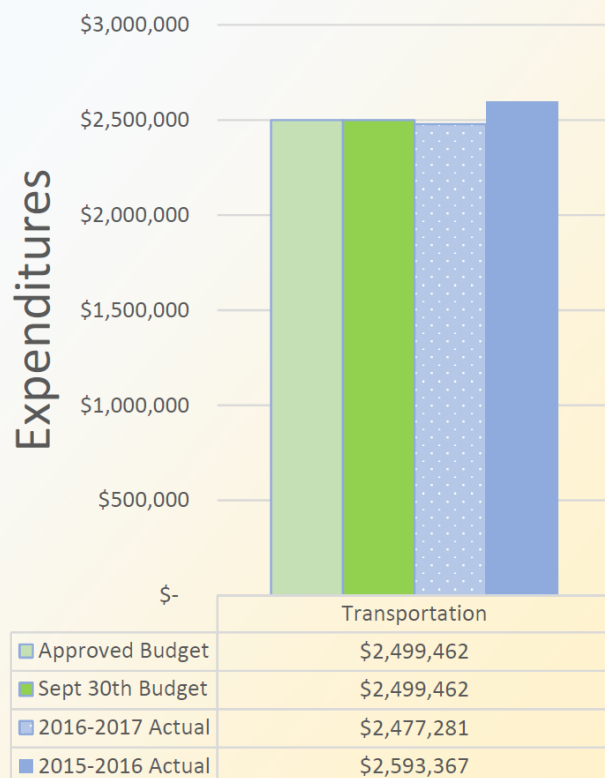
Increase from prior year relates to increases in staffing costs, supplies, and utility costs. The increase in staffing relates to a negotiated 2% increase in support staff wages (and that there was a reduction in staff wages allocated to capital projects).

TRANSPORTATION

Transportation expenditures represent the cost of contracted bussing to bus students who reside more than 2.4 km away from their resident school. These costs include the operation of buses, "cost sharing arrangements" between the City of Lethbridge and Holy Spirit Catholic Schools, and the future replacement of yellow school buses. Costs include the provision of specialized bussing needs for students with disabilities.

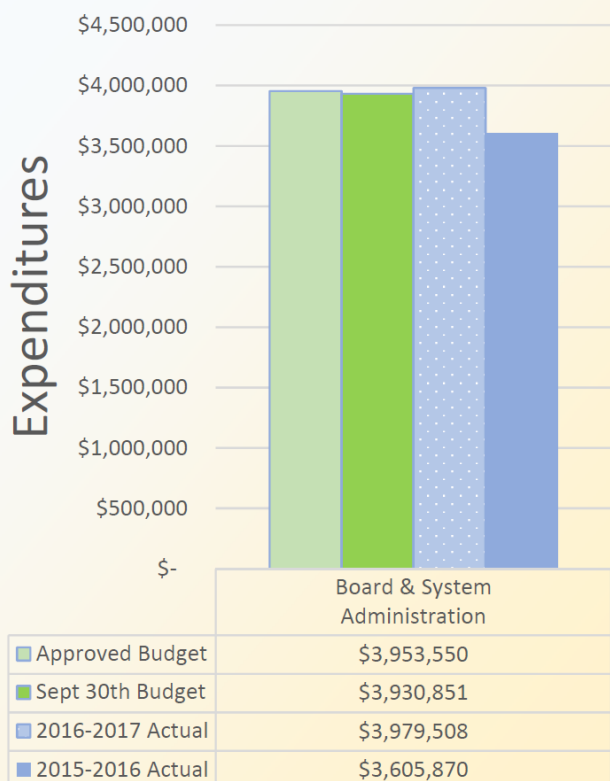
Transportation expenditures were consistent with the September 30th budget.

The Transportation expenditures were reduced from the prior year due to a reduction in the cost-sharing agreement for transportation services and for the replacement of yellow school buses.





OPERATING EXPENSES (by program) - Continued



BOARD & SYSTEM ADMINISTRATION

Administration expenditures represent the cost of the Board of Trustees, Finance, Human Resources, System Instructional Support, and the Office of the Superintendent.

The Administrative expenses are comparable with the September 30th budget. The slight increase from the budget mostly relates to the increases in the amortization of the tangible capital assets (non-cash transaction) used for administration purposes of approx. \$43,000 more than budgeted.

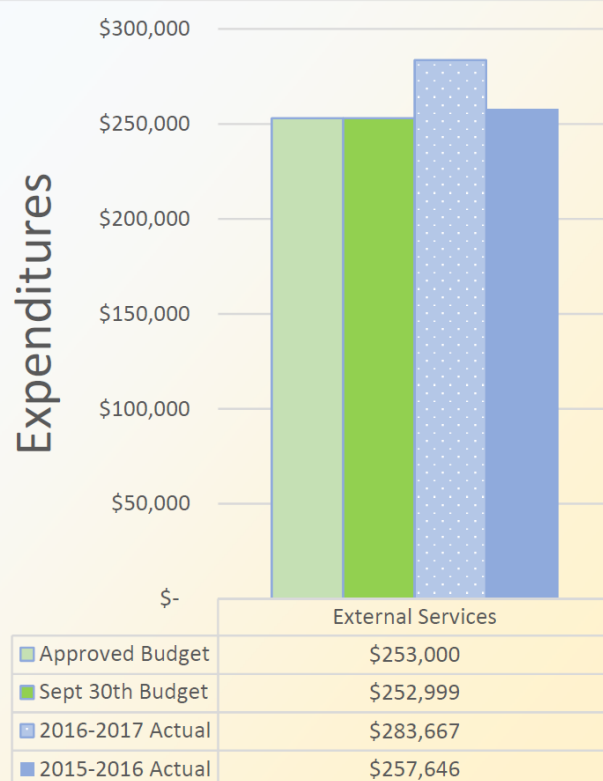
The 2016/2017 Administrative expenditures equate to 3.37% of the total expenditures (prior year at 3.12%), which is within the 3.60% maximum for Administrative costs as set out by Alberta Education. This reduction allowed approx. \$266,000 of additional funding available for instructional purposes.

Increase from prior year relates to increases in staffing costs, software, and insurance costs. The increase in staffing relates to a negotiated 2% increase in support staff wages. Software costs increased with the development of new onboarding system development/training.

EXTERNAL SERVICES

An External Service represents costs that are outside regular provincially mandated instruction and operations. For the District, the International Services program provides programming to students from other countries who pay tuition fees to attend District schools. Costs include the homestay providers, student insurance, student recruitment, and administration of the program. Tuition fees are collected from international students in this program.

The External Services expenditures were higher than both the budgets and the prior year due to increases in international student enrolment. With the increased enrolment increases the amount of homestay fees and student enrolment costs. There was also increases in the related revenues which covers these increased costs.





STATEMENT OF OPERATIONS - Continued

OPERATING EXPENSES (by type)

Supplemental to the Statement of Operations, the Schedule of Program Operations (Schedule 3) provides additional analysis on the operating expenses by redisplaying the expenses by both program and by the type of expenditures. The following is summary of the expenditure types:

	Approved May Budget	September 30th Budget	2016-2017 Actual	2015-2016 Actual
EXPENSES				
Certificated Salaries and Benefits	\$ 67,708,378	\$ 68,136,372	\$ 67,602,455	\$ 66,913,269
Non-certificated Salaries and Benefits	\$ 25,661,581	\$ 26,808,043	\$ 26,861,714	\$ 25,571,337
Services, Contracts and Supplies	\$ 23,365,045	\$ 24,730,312	\$ 19,442,346	\$ 17,863,078
Amortization of supported TCA	\$ 3,318,719	\$ 3,414,960	\$ 3,472,584	\$ 3,347,491
Amortization of unsupported TCA	\$ 358,975	\$ 445,296	\$ 465,310	\$ 348,032
Supported Interest on Capital Debt	\$ 24,053	\$ 24,153	\$ 24,053	\$ 43,771
Other Interests and Finance Charges	\$ -	\$ -	\$ 62,497	\$ 64,748
Total expenses	\$ 120,436,751	\$ 123,559,136	\$ 117,930,959	\$ 114,151,726

Certificated Salaries and Benefits

Certificated salaries and benefits are higher in 2016-2017 by 1.03% due to the addition of 14.77 Full Time Equivalent (FTE) teaching staff over the prior year. Although there is the cost of experience increments for teachers as they gain experience each year, the result of retirements and the hiring of beginning teachers resulted in total budgeted teaching costs being less than in the September 30th budget, despite the growth in teaching staff.

Non-Certificated Salaries and Benefits

Non-certificated salaries and benefits are higher in 2016-2017 by 5.05%. There was an increase of 9.96 Full Time Equivalent (FTE) support staff over the prior year. There were negotiated salary increases of 2% with support staff in 2016-2017. The actual costs were comparable to the September 30th budget.

Services, Contracts and Supplies

Services, Contracts, and Supplies are higher in 2016-2017 by 8.84% compared to the prior year. Instruction expenditures increased from prior year due to the evergreening of technology that occurred in 2016-2017; whereas, it was not done in the prior year. Plant Operations and Maintenance expenditures are higher due to increased spending on IMR projects due to an increase in the IMR grant.

Amortization of Supported and Unsupported Tangible Capital Assets (TCA)

Reflects the supported amortization of capital assets that have been acquired through specific financial support by the Province of Alberta (such as school facilities) and unsupported amortization of capital assets that have been funded through the use of district operating funds. The amortization was comparable to the September 30th budget.

Supported Interest on Capital Debt

Interest charges are based on debenture debt that is paid on behalf of the District by the Province of Alberta. The interest on capital debt was comparable to the September 30th budget.

Other Interest and Finance Charges

Mainly service charges for online banking acceptance of credit cards. Also includes increased costs for changes in foreign currency payments. These costs are not budgeted.

OPERATING SURPLUS (DEFICIT)

As shown on the Statement of Operations, there was a net operating deficit of \$48,300. The budgets planned on utilizing reserves to fund many of these expenditures; in which, the actual amount of reserves required was reduced as the actual deficit was significantly less than originally projected due to cost savings in the expenditures.

Operating deficit
of \$48,300



The budget planned on having a larger deficit (use of reserves)



OTHER STATEMENTS, SCHEDULES & NOTES



All Statements, Schedules, and Notes that accompany the Audited Financial Statements provide useful information to understand the financial position and results of operations of the District. Some schedules and notes are included that help to provide additional data, accountability, and transparency.

Alberta Education provides each School District/Jurisdiction a financial statement template that is to be used for the preparation of the annual financial statements. This template includes the prescribed format for all statements and schedules required by the District. The tables within the notes to the financial statements are also provided in a prescribed format.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows summarizes the sources and uses of cash and cash equivalents. It reconciles the cash position of the District from the prior year using the operating revenues and expenses, capital funding and expenditures, investment and financing transactions.

As the revenues and expenses include “non-cash” transactions such as amortization expenses and the recognition of the expended deferred capital revenues, these “non-cash” transactions are removed from the income to indicate the actual cash effects.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

The Statement of Changes in Net Financial Assets (Net Debt) summarizes the changes in the Net Financial Assets. It reconciles the Net Financial Assets of the District from the prior year using the operating revenues and expenses, capital funding and expenditures, and changes in the other non-financial assets such as prepaid expenses and other non-financial assets (i.e. inventory).

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

The Statement of Remeasurement Gains and Losses summarizes the unrealized gains and losses on portfolio and other investments. Currently, this is not applicable to the District.

SCHEDULES OF THE FINANCIAL STATEMENTS

There are a total of ten (10) audited & unaudited schedules in the financial statements, which are used to provide details to the financial statements. These schedules include:

Schedule 1 - Schedule of Changes in Accumulative Surplus

Provides details on the changes in the components of Accumulated Surplus, including the transfers to and from each of these components (i.e. transfers from unrestricted to a restricted reserve).

Schedule 2 - Schedule of Capital Revenue

Provides a reconciliation of the deferred capital revenues. This includes both expended and Unexpended capital revenues.

Schedule 3 - Schedule of Program Operations

Provides the details of the revenues and expenses for each of the District's programs, including: Instruction - ECS, Instruction - Grades 1-12, Plant Operations and Maintenance, Transportation, Board & System Administration, and External Services).

Schedule 4 - Schedule of Plant Operations and Maintenance Expenses

Provides the additional details on the expenses within Plant Operations and Maintenance. These include Custodial, Maintenance, Utilities/Telecommunications, IIMR/Modular/Lease, Facilities, Unsupported and Supported expenditures.

Schedules continued on next page...



OTHER STATEMENTS, SCHEDULES & NOTES - Continued

SCHEDULES OF THE FINANCIAL STATEMENTS - Continued

Schedule 5 - Schedule of Cash, Cash Equivalents, and Portfolio Investments

Provides details on the Cash and Investments, including interest rates, costs, market values, and maturity schedules.

Schedule 6 - Schedule of Capital Assets

Provides details on the Tangible Capital Assets (TCA) including the historical costs, useful lives of the TCA, and the amount of amortization accumulated on the TCA. These details are provided for each of the major types of TCA (i.e. land, buildings, equipment, etc.)

Schedule 7 - Schedule of Remuneration and Monetary Incentives

This schedule discloses the total remuneration, benefits, and other expenses for each of the District's Trustees. It also discloses information relating to the Superintendent, the Secretary Treasurer, and the totals for certified/non-certified staff.

Schedule 8 - Unaudited Schedule of Fee Revenues

This unaudited schedule provides information on type and amount of fees being charged by the District. This schedule changed significantly from the prior years; whereas, it now provides details on carry-forward fee revenues.

Schedule 9 - Unaudited Schedule of Differential Funding

This unaudited schedule provides information on programs within differential funding for the District providing specialized support (i.e. FNMI, PUF, ESL, Inclusive Education and Small Schools)

Schedule 10 - Unaudited Schedule of Central Administration Expenses

This unaudited schedule provides information the multiple departments/areas within the Board & System Administration. It also indicates administrative costs within other major programs (i.e. technology costs in instructional activities).

Schedules 1-7 are audited schedules and are included as part of the annual financial statements. Schedule 8-10 are unaudited schedules that included at the end of the annual financial statements and are used to provide supplementary data to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional details for the financial statements.

These notes can include the following:

- Authority and Purpose
- Significant accounting policies
- Details of Financial Statement balances
- Disclosure of additional information not recorded in the financials
 - Contractual Obligations and Contingencies
 - Trusts under Administration
 - School Generated Funds details
 - Related Party Transactions
 - Economic Dependence



OTHER FINANCIAL REPORTING

The District has additional financial reporting available on our website for more in-depth reports on the budgets, financial statements, management discussion/analysis, and health indicators. These financial reports are located:

www.lethsd.ab.ca > Planning & Reporting > Financial Statements



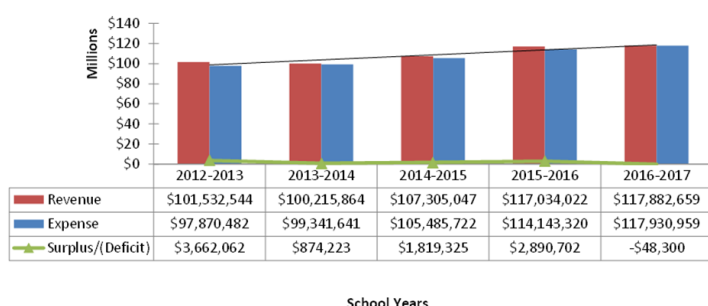
FINANCIAL HEALTH INDICATORS



Indicators of Financial Health help to measure how the School District is doing over time and alert to any issues or concerns that should be addressed. Through Alberta Education, the District is able to compare specific indicators to other Alberta school jurisdictions that have similar student enrolment.

Note: Starting in 2014-2015, the District moved into a higher category of comparators (9,000 to 20,000 FTE category); whereas, prior years were compared to the lower categories. The comparison data is only available for the prior years (not available for the 2016/2017). The "Comparable" ratios are the average for the similar sized school districts. The "All SD's" are averages across the Province.

Revenues, Expenses & Surplus(Deficit)



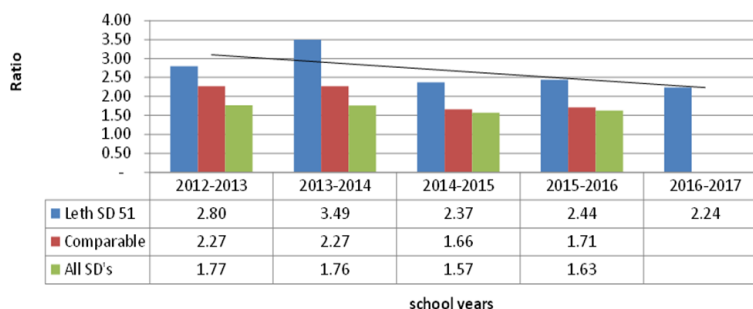
The chart (to the left) indicates that we are a growing District, due to the continual student enrolment growth.

In 2015-2016 Immanuel Christian Elementary and High Schools joined the District which significantly increased both revenues and expenditures. Revenues are impacted by enrolment and grant rate increases; while expenditures are primarily impacted by staffing decisions.

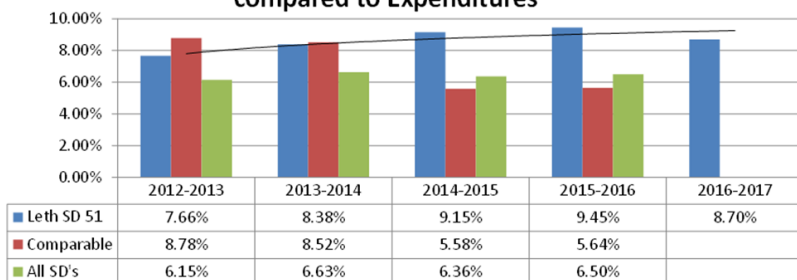
The chart (to the right) shows that the District's liquidity ratio greater than one and greater than the other comparable school districts. The in the District's liquidity in 2012-2013 mainly due to having excess revenues over and above expenditures which increased the Accumulated Surplus from Operations.

In 2014-2015 the District's liquidity decreased due to amounts owing on contractual obligations related to capital projects and has remained relatively consistent.

Liquidity Ratio Comparison



Adjusted Accumulated Surplus from Operations as compared to Expenditures



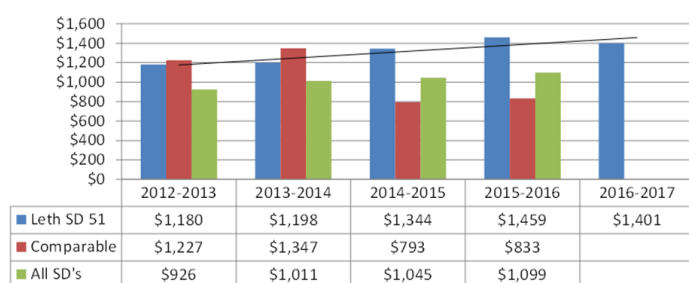
The chart (to the left) indicates that the District has an Adjusted Accumulated Surplus (compared to expenditures) greater than the other comparable school districts, specifically compared to the 9,000 to 20,000 of student enrolment (2014-2015 onwards).

The higher ratio is due to the District having reserves to maintain the growth in the District. These reserves include specific reserves for new school resources/equipment, computer evergreening, and staff stability fund (will assist when % wage increases exceed % student growth).



FINANCIAL HEALTH INDICATORS - Continued

Working Capital Per Student



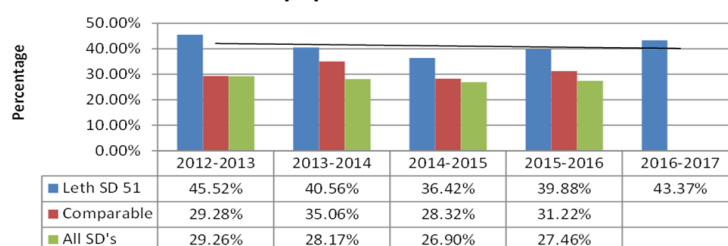
The chart (to the left) indicates an overall trend of increases in the working capital per student. This is greater than the other comparable school districts, specifically compared to the 9,000 to 20,000 of student enrolment (2014-2015 onwards).

In 2016-2017, the working capital per student decreased mostly due to an increase in enrolment; whereas, the working capital remained relatively consistent.

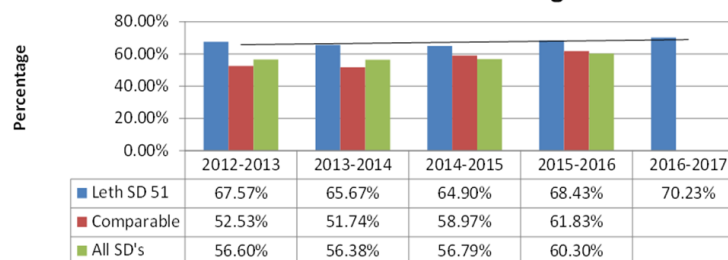
In both the Capital Asset Net Book Value to Cost of Equipment/Vehicles and the Schools/ Other Buildings charts (both to the right) indicates that we have greater ratios than the other comparable school districts. This effectively means that on average we have newer buildings, equipment, and vehicles than other school districts. A lower ratio may indicate that the capital assets may not be replaced on a regular basis.

In relation to Schools and Other Buildings, the increases over the last couple of years correlate to the construction of the new school sites (Coalbanks Elementary School and the Westside Middle School) and the modernization of Wilson Middle School. These new schools have also had increases in equipment as new equipment has been acquired for these new sites.

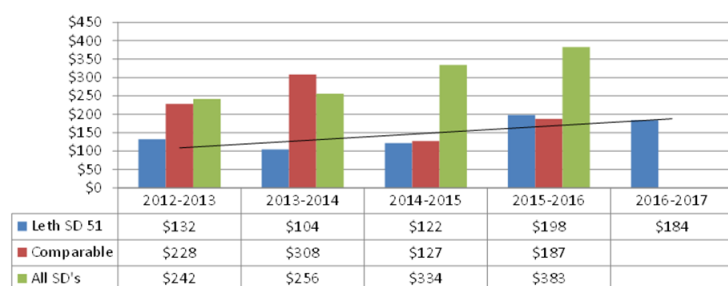
Capital Asset Net Book Value to Cost Equipment and Vehicles



Capital Asset Net Book Value to Cost Schools and Other Buildings



Capital Reserves per student



Although the District may have less capital reserves per student, the District (on average) has newer assets as compared to other school districts.

It is important to compare both the Capital Reserves per student and Net Book Value compared to Historical Costs financial health indicators related to capital. There would be a concern if the Net Book Value to Cost percentage was very low and capital reserves were low.

Overall, Lethbridge School District No. 51 has a strong financial health; whereas, the District seems to be in a strong financial position when in comparison to many of the other comparable Districts and to Districts throughout the Province. This is shown throughout this report, including liquidity, accumulated surplus, working capital, and in its tangible capital assets. This strong financial health can be contributed to sound financial management, planning, and governance.

FUTURE OUTLOOKS FOR THE DISTRICT

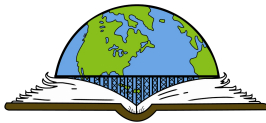
Lethbridge School District No. 51 will continue to maintain its strong financial position. In looking ahead, the biggest challenges facing the District will be to manage the Province's plans for meeting the needs of the students with balancing fiscal realities of the current economic climate. The District will also need to manage the growth as it impacts both the student needs and the facility/resources requirements.

The District is currently in a strong financial position due to the continual growth, sound financial management, planning, and governance; in which, this assists the District in balancing these needs with the financial realities. The use of the Board Priorities, stakeholder involvement, and effective budgeting should assist in these challenges.

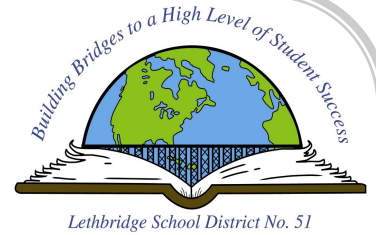
Respectfully submitted,



Mark DeBoer, CPA, CA
Director of Finance
February 20, 2018







SECTION TWO

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2017

LETHBRIDGE SCHOOL DISTRICT NO. 51

FINANCIAL STATEMENTS

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Note: the Annual Financial Statements are prepared on the Alberta Education's financial statement template. This template includes the prescribed format for all statements and schedules required by the District. The tables within the notes to the financial statements are also provided in a prescribed format.

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

Lethbridge School District No. 51

Legal Name of School Jurisdiction

433 - 15 Street S. Lethbridge AB T1J 2Z4

Mailing Address

(403) 380-5308 (403) 320-9117 mark.deboer@lethsd.ab.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Lethbridge School District No. 51 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Mr. Clark Bosch

Name



Signature

SUPERINTENDENT

Mrs. Cheryl Gilmore

Name



Signature

SECRETARY-TREASURER OR TREASURER

Mrs. Christine Lee

Name



Signature

November 28, 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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BDO Canada LLP
600 Lethbridge Centre Tower
400 - 4 Avenue South
Lethbridge AB T1J 4E1 Canada

Independent Auditor's Report

To Board of Trustees of Lethbridge School District No. 51

We have audited the accompanying financial statements of Lethbridge School District No. 51, which comprise the statement of financial position as at August 31, 2017, and the statements of operations, cash flows, change in net debt and remeasurement gains and losses for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditor's 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 auditor's 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 control 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 control. 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 Lethbridge School District No. 51 as at August 31, 2017 and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

Schedule of Fee Revenues, Schedule of Differential Funding and Schedule of Central Administration Expenses reflect additional information required by Alberta Education that is not required under Canadian public sector accounting standards. We were not engaged to audit this information and accordingly it is considered unaudited.

BDO Canada LLP

Chartered Professional Accountants

Lethbridge, Alberta
November 28, 2017

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

	2017	2016 Restated
FINANCIAL ASSETS		
Cash and cash equivalents (Schedule 5)	\$ 20,838,940	\$ 19,216,667
Accounts receivable (net after allowances) (Note 3)	\$ 5,579,257	\$ 5,528,136
Portfolio Investments (Schedule 5)	\$ 83,918	\$ 84,037
Other financial assets	\$ -	\$ -
Total financial assets	\$ 26,502,115	\$ 24,828,860
LIABILITIES		
Bank indebtedness (Note 4)	\$ -	\$ -
Accounts payable and accrued liabilities (Note 5)	\$ 7,793,068	\$ 7,279,008
Deferred revenue (Note 6)	\$ 131,181,244	\$ 111,694,460
Employee future benefits liabilities (Note 7)	\$ 15,539	\$ 20,325
Liability for contaminated sites	\$ -	\$ -
Other liabilities	\$ -	\$ -
Debt (Note 8)		
Supported: Debentures and other supported debt	\$ 46,853	\$ 243,626
Unsupported: Debentures and capital loans	\$ -	\$ -
Mortgages	\$ -	\$ -
Capital leases	\$ -	\$ -
Total liabilities	\$ 139,036,724	\$ 119,237,419
Net financial assets (debt)	\$ (112,534,609)	\$ (94,408,559)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 6)		
Land	\$ 1,715,118	\$ 1,715,118
Construction in progress	\$ 46,685,237	\$ 27,044,219
Buildings	\$ 134,895,167	
Less: Accumulated amortization	\$ (54,055,258)	\$ 80,839,909
Equipment	\$ 6,708,041	
Less: Accumulated amortization	\$ (3,923,963)	\$ 2,784,058
Vehicles	\$ 1,135,712	
Less: Accumulated amortization	\$ (570,560)	\$ 565,152
Computer Equipment	\$ 697,297	
Less: Accumulated amortization	\$ (342,218)	\$ 355,079
Total tangible capital assets	\$ 132,944,553	\$ 114,647,653
Prepaid expenses (Note 9)	\$ 211,772	\$ 377,483
Other non-financial assets (Note 10)	\$ 144,481	\$ 197,920
Total non-financial assets	\$ 133,300,806	\$ 115,223,056
Accumulated surplus (Schedule 1; Note 11)	\$ 20,766,197	\$ 20,814,497
Accumulating surplus / (deficit) is comprised of:		
Accumulated operating surplus (deficit)	\$ 20,766,197	\$ 20,814,497
Accumulated remeasurement gains (losses)	\$ -	\$ -
	\$ 20,766,197	\$ 20,814,497
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, 2017 (in dollars)

	Budget 2017	Actual 2017	Actual 2016 Restated
REVENUES			
Alberta Education	\$ 110,643,265	\$ 111,305,259	\$ 109,433,606
Other - Government of Alberta	\$ 498,453	\$ 485,505	\$ 519,963
Federal Government and First Nations	\$ 170,312	\$ 317,661	\$ 443,985
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Schedule 8)	\$ 1,420,219	\$ 1,530,073	\$ 2,299,440
Other sales and services	\$ 950,226	\$ 1,317,898	\$ 1,034,141
Investment income	\$ 143,000	\$ 181,980	\$ 173,949
Gifts and donations	\$ 390,000	\$ 681,862	\$ 620,605
Rental of facilities	\$ 35,900	\$ 32,904	\$ 34,704
Fundraising	\$ 2,461,000	\$ 2,029,497	\$ 2,482,034
Gains on disposal of capital assets	\$ -	\$ -	\$ -
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 116,712,375	\$ 117,882,659	\$ 117,042,427
EXPENSES			
Instruction - ECS	\$ 5,952,585	\$ 6,877,842	\$ 6,843,291
Instruction - Grades 1 - 12	\$ 93,305,148	\$ 91,002,015	\$ 88,255,372
Plant operations and maintenance	\$ 14,473,006	\$ 13,310,646	\$ 12,596,179
Transportation	\$ 2,499,462	\$ 2,477,281	\$ 2,593,367
Board & system administration	\$ 3,953,550	\$ 3,979,508	\$ 3,605,870
External services	\$ 253,000	\$ 283,667	\$ 257,646
Total expenses	\$ 120,436,751	\$ 117,930,959	\$ 114,151,725
Operating surplus (deficit)	\$ (3,724,376)	\$ (48,300)	\$ 2,890,702

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

School Jurisdiction Code: 3040		
STATEMENT OF CASH FLOWS For the Year Ended August 31, 2017 (in dollars)		
	2017	2016 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (48,300)	\$ 2,890,702
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 3,937,897	\$ 3,695,517
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (3,472,584)	\$ (3,347,486)
Deferred capital revenue write-down / adjustment	\$ 83,414	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (51,121)	\$ (2,827,675)
Prepays	\$ 165,711	\$ 46,744
Other financial assets	\$ -	\$ -
Non-financial assets	\$ 53,439	\$ (54,972)
Accounts payable, accrued and other liabilities	\$ 514,080	\$ 4,524,271
Deferred revenue (excluding EDCR)	\$ 22,859,368	\$ 22,314,571
Employee future benefit liabilities	\$ (4,786)	\$ (8,641)
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 24,137,118	\$ 27,233,031
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (20,632,132)	\$ (25,282,645)
Equipment	\$ (1,407,356)	\$ (643,219)
Vehicles	\$ (101,227)	\$ (158,162)
Computer equipment	\$ (177,495)	\$ (263,445)
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (22,318,211)	\$ (26,347,471)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ 119	\$ (642)
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement (gains) losses reclassified to the statement of operations	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 119	\$ (642)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (196,773)	\$ (196,773)
Other factors affecting debt (describe)	\$ -	\$ -
Issuance of capital leases	\$ -	\$ -
Repayment of capital leases	\$ -	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (196,773)	\$ (196,773)
Increase (decrease) in cash and cash equivalents	\$ 1,622,253	\$ 688,145
Cash and cash equivalents, at beginning of year	\$ 19,216,687	\$ 18,528,542
Cash and cash equivalents, at end of year	\$ 20,838,940	\$ 19,216,687

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)

	2017	2016 Restated
Operating surplus (deficit)	\$ (48,300)	\$ 2,890,702
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (22,318,211)	\$ (26,347,471)
Amortization of tangible capital assets	\$ 3,937,897	\$ 3,695,517
Net carrying value of tangible capital assets disposed of	\$ 83,414	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (18,296,900)	\$ (22,651,954)
Changes in:		
Prepaid expenses	\$ 185,711	\$ 46,744
Other non-financial assets	\$ 53,439	\$ (54,971)
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Increase (decrease) in net financial assets (net debt)	\$ (18,126,050)	\$ (19,769,479)
Net financial assets (net debt) at beginning of year	\$ (94,408,559)	\$ (74,839,080)
Net financial assets (net debt) at end of year	\$ (112,534,609)	\$ (94,408,559)

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>	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2016	\$ 20,814,497	\$ -	\$ 20,814,497	\$ 5,599,408	\$ 319,874	\$ 861,341	\$ 12,048,359	\$ 1,985,515
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2016	\$ 20,814,497	\$ -	\$ 20,814,497	\$ 5,599,408	\$ 319,874	\$ 861,341	\$ 12,048,359	\$ 1,985,515
Operating surplus (deficit)	\$ (48,300)		\$ (48,300)			\$ (48,300)		
Board funded tangible capital asset additions								
Disposal of unsupported tangible capital assets or board funded portion of supported assets	\$ -		\$ -	\$ 630,548		\$ (101,235)	\$ -	\$ (529,313)
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	\$ -			\$ (3,937,897)		\$ 3,937,897		
Capital revenue recognized	\$ -			\$ 3,472,584		\$ (3,472,584)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Additional capital debt or capital leases	\$ -			\$ -		\$ -		
Net transfers to operating reserves	\$ -					\$ (215,725)	\$ 215,725	
Net transfers from operating reserves	\$ -					\$ 340,600	\$ (340,600)	
Net transfers to capital reserves	\$ -					\$ (465,310)		\$ 465,310
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2017	\$ 20,766,197	\$ -	\$ 20,766,197	\$ 5,764,643	\$ 319,874	\$ 836,684	\$ 11,923,484	\$ 1,921,512

SCHEDULE 1

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

School Jurisdiction Code: 3040

	INTERNALLY RESTRICTED RESERVES BY PROGRAM										
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services		
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
Balance at August 31, 2016	\$ 10,282,047	\$ 442,183	\$ 810,386	\$ 795,599	\$ 552,612	\$ 607,733	\$ 386,574	\$ 140,000	\$ 16,740	\$ -	
Prior period adjustments:											
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Adjusted Balance, August 31, 2016	\$ 10,282,047	\$ 442,183	\$ 810,386	\$ 795,599	\$ 552,612	\$ 607,733	\$ 386,574	\$ 140,000	\$ 16,740	\$ -	
Operating surplus (deficit)											
Board funded tangible capital asset additions	\$ -	\$ (155,733)	\$ -	\$ (196,084)	\$ -	\$ (177,496)	\$ -	\$ -	\$ -	\$ -	
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Write-down of unsupported tangible capital assets or board funded portion of supported	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net remeasurement gains (losses) for the year											
Endowment expenses & disbursements											
Endowment contributions											
Reinvested endowment income											
Direct credits to accumulated surplus (Describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Amortization of tangible capital assets											
Capital revenue recognized											
Debt principal repayments (unsupported)											
Additional capital debt or capital leases											
Net transfers to operating reserves	\$ -	\$ -	\$ -	\$ 10,360	\$ -	\$ -	\$ 158,986	\$ -	\$ 46,379	\$ -	
Net transfers from operating reserves	\$ (307,099)	\$ (33,501)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net transfers to capital reserves	\$ -	\$ 310,926	\$ -	\$ 68,508	\$ -	\$ 73,155	\$ -	\$ 12,721	\$ -	\$ -	
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Balance at August 31, 2017	\$ 9,974,948	\$ 597,376	\$ 776,885	\$ 688,023	\$ 562,972	\$ 503,392	\$ 545,560	\$ 152,721	\$ 63,119	\$ -	

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	\$ 537,547	\$ -	\$ -	\$ -	\$ 109,048,230
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2016	\$ 537,547	\$ -	\$ -	\$ -	\$ 109,048,230
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 18,194,860				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: City of Lethbridge	\$ -			\$ 500,000	
Other sources: Family Center	\$ -			\$ 355,000	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular (excl. IMR)	\$ 2,444,027				
Other sources:	\$ -			\$ -	
Other sources:	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue:				\$ -	
Proceeds on disposition of supported capital			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets:					\$ -
Alberta infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (20,832,677)	\$ -	\$ -	\$ (855,000)	\$ 21,687,677
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments:	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ 83,414
Other adjustments:		\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 3,472,584
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2017	\$ 343,757	\$ -	\$ -	\$ -	\$ 127,179,909
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2017 (A) + (B) + (C) + (D)				\$ 343,757	

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 3

School Jurisdiction Code: **3040**

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

2017										2016 Restated
REVENUES										
	Instruction		Plant Operations and Maintenance		Transportation	Board & System Administration	External Services	TOTAL		
	ECS	Grades 1 - 12								
(1) Alberta Education	\$ 6,594,594	\$ 84,840,309	\$ 13,297,024	\$ 2,610,545	\$ 3,952,719	\$ 10,068	\$ 111,305,259	\$ 109,433,606		
(2) Other - Government of Alberta	\$ -	\$ 461,452	\$ 24,053	\$ -	\$ -	\$ -	\$ 485,505	\$ 519,963		
(3) Federal Government and First Nations	\$ -	\$ 306,244	\$ -	\$ -	\$ 11,437	\$ -	\$ 317,681	\$ 443,985		
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(8) Fees	\$ 283,248	\$ 1,246,825	\$ -	\$ -	\$ -	\$ -	\$ 1,530,073	\$ 2,299,440		
(9) Other sales and services	\$ -	\$ 914,143	\$ -	\$ -	\$ 34,138	\$ 369,617	\$ 1,317,898	\$ 1,034,141		
(10) Investment income	\$ -	\$ 147,429	\$ 15,000	\$ 13,000	\$ 6,551	\$ -	\$ 181,980	\$ 173,949		
(11) Gifts and donations	\$ -	\$ 681,862	\$ -	\$ -	\$ -	\$ -	\$ 681,862	\$ 620,605		
(12) Rental of facilities	\$ -	\$ -	\$ 32,904	\$ -	\$ -	\$ -	\$ 32,904	\$ 34,704		
(13) Fundraising	\$ -	\$ 2,029,497	\$ -	\$ -	\$ -	\$ -	\$ 2,029,497	\$ 2,482,034		
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(15) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(16) TOTAL REVENUES	\$ 6,877,842	\$ 90,627,761	\$ 13,368,981	\$ 2,623,545	\$ 4,004,845	\$ 379,685	\$ 117,882,659	\$ 117,042,427		
EXPENSES										
(17) Certificated salaries	\$ 2,311,610	\$ 51,074,702			\$ 663,758	\$ 87,638	\$ 54,137,708	\$ 53,400,466		
(18) Certificated benefits	\$ 84,532	\$ 13,160,869			\$ 203,013	\$ 16,333	\$ 13,464,747	\$ 13,512,803		
(19) Non-certificated salaries and wages	\$ 3,455,628	\$ 12,080,240	\$ 3,416,827	\$ 76,744	\$ 1,777,571	\$ -	\$ 20,807,010	\$ 19,801,265		
(20) Non-certificated benefits	\$ 800,583	\$ 3,812,883	\$ 1,024,570	\$ 23,986	\$ 392,682	\$ -	\$ 6,054,704	\$ 5,770,072		
(21) SUB - TOTAL	\$ 6,652,353	\$ 80,128,694	\$ 4,441,397	\$ 100,730	\$ 3,037,024	\$ 103,971	\$ 94,464,169	\$ 92,484,606		
(22) Services, contracts and supplies	\$ 225,489	\$ 10,206,339	\$ 5,647,398	\$ 2,363,830	\$ 819,591	\$ 179,696	\$ 19,442,343	\$ 17,863,083		
(23) Amortization of supported tangible capital assets	\$ -	\$ 332,246	\$ 3,090,601	\$ -	\$ 49,737	\$ -	\$ 3,472,584	\$ 3,347,486		
(24) Amortization of unsupported tangible capital assets	\$ -	\$ 272,239	\$ 107,197	\$ 12,721	\$ 73,156	\$ -	\$ 465,313	\$ 348,031		
(25) Supported interest on capital debt	\$ -	\$ -	\$ 24,053	\$ -	\$ -	\$ -	\$ 24,053	\$ 43,771		
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(27) Other interest and finance charges	\$ -	\$ 62,497	\$ -	\$ -	\$ -	\$ -	\$ 62,497	\$ 64,748		
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
(30) TOTAL EXPENSES	\$ 6,877,842	\$ 91,002,015	\$ 13,310,646	\$ 2,477,281	\$ 3,979,508	\$ 283,667	\$ 117,930,959	\$ 114,151,725		
(31) OPERATING SURPLUS (DEFICIT)	\$ -	\$ (374,254)	\$ 58,335	\$ 146,264	\$ 25,337	\$ 96,018	\$ (48,300)	\$ 2,890,702		

SCHEDULE 4

School Jurisdiction Code: 3040

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	\$ 2,736,334	\$ 481,480	\$ -	\$ -	\$ 199,013			\$ 3,416,827	\$ 3,086,355
Uncertificated benefits	\$ 756,767	\$ 231,359	\$ -	\$ -	\$ 36,444			\$ 1,024,570	\$ 969,182
Sub-total Remuneration	\$ 3,493,101	\$ 712,839	\$ -	\$ -	\$ 235,457			\$ 4,441,397	\$ 4,035,537
Supplies and services	\$ 290,406	\$ 1,421,004	\$ -	\$ 1,730,976	\$ 20,372			\$ 3,462,758	\$ 3,444,633
Electricity			\$ 1,306,632					\$ 1,306,632	\$ 1,227,256
Natural gas/heating fuel			\$ 414,772					\$ 414,772	\$ 264,046
Sewer and water			\$ 177,400					\$ 177,400	\$ 187,644
Telecommunications			\$ 19,717					\$ 19,717	\$ 17,052
Insurance					\$ 266,122			\$ 266,122	\$ 243,068
AS AP maintenance & renewal payments								\$ -	\$ -
Amortization of tangible capital assets									
Supported							\$ 3,090,601	\$ 3,090,601	\$ 3,028,369
Unupported						\$ 107,194		\$ 107,194	\$ 104,863
Total Amortization						\$ 107,194	\$ 3,090,601	\$ 3,197,795	\$ 3,133,172
Interest on capital debt									
Supported							\$ 24,053	\$ 24,053	\$ 43,771
Unupported						\$ -		\$ -	\$ -
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ -
TOTAL EXPENSES	\$ 3,783,507	\$ 2,133,843	\$ 1,918,521	\$ 1,730,976	\$ 521,951	\$ 107,194	\$ 3,114,654	\$ 13,310,646	\$ 12,596,179
SQUARE METRES									
School buildings								117,556.6	116,820.0
Non school buildings								5,525.0	5,525.0

Note:

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

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

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

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

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

Unupported 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		\$ 20,838,940	\$ 20,838,940	\$ 19,216,687
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%	\$ 20,838,940	\$ 20,838,940	\$ 19,216,687

See Note 3 for additional detail.

Portfolio Investments	2017			2016	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Long term deposits	0.00%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	1.08%	83,918	83,918	83,918	84,037
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	1.08%	\$ 83,918	\$ 83,918	\$ 83,918	\$ 84,037

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

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

SCHEDULE 6

School Jurisdiction Code: 3040

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

	2017						2016	
	Land	Construction In Progress	Buildings 25-50 Years	Equipment 5-10 Years	Vehicles 5-10 Years	Computer Hardware & Software 3-5 Years	Total	Total
Tangible Capital Assets								
Estimated useful life								
Historical cost								
Beginning of year	\$ 1,715,118	\$ 27,044,219	\$ 133,904,044	\$ 5,306,375	\$ 1,127,177	\$ 560,441	\$ 169,657,374	\$ 143,510,567
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	19,641,018	991,123	1,407,356	101,227	177,496	22,318,220	26,347,471
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(5,690)	(92,682)	(40,640)	(139,022)	(200,664)
Historical cost, August 31, 2017	\$ 1,715,118	\$ 46,685,237	\$ 134,895,167	\$ 6,708,041	\$ 1,135,712	\$ 697,297	\$ 191,836,572	\$ 169,657,374
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 50,805,259	\$ 3,446,825	\$ 489,711	\$ 267,926	\$ 55,009,721	\$ 51,514,868
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	3,249,999	482,848	90,118	114,932	3,937,897	3,695,517
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	(5,690)	(9,269)	(40,640)	(55,599)	(200,664)
Accumulated amortization, August 31, 2017	\$ -	\$ -	\$ 54,055,258	\$ 3,923,983	\$ 570,560	\$ 342,218	\$ 58,892,019	\$ 55,009,721
Net Book Value at August 31, 2017	\$ 1,715,118	\$ 46,685,237	\$ 80,839,909	\$ 2,784,058	\$ 565,152	\$ 355,079	\$ 132,944,553	\$ -
Net Book Value at August 31, 2016	\$ 1,715,118	\$ 27,044,219	\$ 83,088,785	\$ 1,859,550	\$ 637,466	\$ 292,515	\$ -	\$ 114,647,653

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

School Jurisdiction Code: 3040

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits	Expenses
Mich Foster - Chair	1.00	\$30,933	\$998	\$0			\$0	\$2,866
Tyler Demers	1.00	\$23,912	\$1,573	\$0			\$0	\$731
Donna Hunt	1.00	\$28,004	\$979	\$0			\$0	\$10,876
Jan Fosters	1.00	\$23,387	\$950	\$0			\$0	\$1,159
Keith Fowler	1.00	\$23,124	\$1,541	\$0			\$0	\$870
Lora Major	1.00	\$23,912	\$953	\$0			\$0	\$7,029
Don Lacey	1.00	\$26,347	\$1,689	\$0			\$0	\$2,380
Subtotal	7.00	\$179,619	\$8,663	\$0			\$0	\$25,511
Chery Gilmore, Superintendent	1.00	\$215,856	\$36,012	\$5,000	\$0	\$0	\$0	\$8,270
Don Lussier, Secretary Treasurer	1.00	\$183,519	\$33,040	\$5,000	\$0	\$0	\$0	\$2,554
Certificated teachers	578.17	\$53,921,849	\$13,388,501	\$35,234	\$0	\$0	\$0	
Non-certificated - other	497.93	\$20,443,872	\$5,912,690	\$95,311	\$0	\$0	\$0	
TOTALS	1,085.10	\$74,944,718	\$19,378,906	\$140,545	\$0	\$0	\$0	\$36,335

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

1. AUTHORITY AND PURPOSE

Lethbridge School District No. 51 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CPA 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 School District has investments in GIC's that have a maturity of greater than 3 months. GIC's not quoted in an active market are reported at cost or amortized cost.

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. The loss is not reversed if there is a subsequent increase in value.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

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 capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as a transfer to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue (EDCR).
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	20 to 40 years
Vehicles	5 to 10 years
Computer Hardware & Software	3 to 5 years
Other Equipment & Furnishings	3 to 10 years

e) Deferred Revenue

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

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

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

- Unexpended Deferred Capital Revenue
Unexpended Deferred Capital Revenue (UDCR) represents externally restricted supported capital funds provided for a specific capital purposes received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per PS 3200 when expended.
- Expended Deferred Capital Revenue
Expended Deferred Capital Revenue (EDCR) represent externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the school jurisdiction to use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

The School District accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include banked time and various qualifying compensated absences.

g) Operating and Capital Reserves

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

h) Revenue Recognition

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

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Contributed services are not recognized in the financial statements.

Eligibility criteria are criteria that the School District has to meet in order to receive the contributions. *Stipulations* describe how the School District must use the contributions or the actions it 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.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

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 or without eligibility criteria but with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

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

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, Lethbridge School District No. 51 does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers' Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2017, the amount contributed by the Government was \$6.396 million (2016 - \$6.518 million).

The School District 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 \$1.87 million for the year ended August 31, 2017 (2016 - \$1.65 million). At December 31, 2016, the Local Authorities Pension Plan reported an actuarial deficiency of \$637,357,000 (2015, deficiency of \$923,416,000).

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

k) Program Reporting

The District's operations have been segmented as follows:

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

l) Scholarship Endowment Funds

Contributions and income pertaining to scholarship endowment funds are recognized on the Statement of Operations must be held in perpetuity in accordance with the agreement with the donor. The residual may be disbursed for the purposes of the scholarship.

Reinvestment of the endowment principal represents a direct increase to accumulated surplus. Undisbursed funds earned on endowment principal is recognized as deferred revenue or as revenue in the year to the extent that stipulations have been met.

m) Trusts Under Administration

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

Trusts under administration have been excluded from the financial reporting of the District. Trust balances can be found in Note 14.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The School District 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 long term debt. Unless otherwise noted, it is management's opinion that the School District is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate, and other price risks.

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

o) 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 judgement. Actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the potential impairment of assets, and rates for amortization.

p) Future Accounting Changes

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

- PS 2200 Related Party Disclosures and PS 3420 Inter-Entity Transactions (effective April 1, 2017)

PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective.

- PS 3210 Assets, PS 3320 Contingent Assets and PS 3380 Contractual Rights (effective April 1, 2017)

PS 3210 provides guidance for applying the definition of assets set out in FINANCIAL STATEMENT CONCEPTS, Section PS 1000, and establishes general disclosure standards for assets; PS 3320 defines and establishes disclosure standards on contingent assets; and PS 3380 defines and establishes disclosure standards on contractual rights.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

- PS 3430 Restructuring Transactions (effective April 1, 2018)

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

- PS 3450 Financial Instruments (effective April 1, 2019)

Adoption of this standard requires corresponding adoption of PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3401 Portfolio Investments in the same fiscal period. These standards provide guidance on: recognition, measurement and disclosure of financial instruments; standards on how to account for and report transactions that are denominated in a foreign currency; general reporting principles and standards for the disclosure of information in financial statements; and how to account for and report portfolio investments.

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

3. ACCOUNTS RECEIVABLE

	2017			2016
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 565,715	\$ -	\$ 565,715	\$ 37,000
Alberta Education - Capital	3,858,239	-	3,858,239	4,052,583
Treasury Board and Finance - Supported debenture principal	46,853	-	46,853	243,626
Treasury Board and Finance - Accrued interest on supported debentures	2,707	-	2,707	28,386
Alberta Health	-	-	-	52,427
Government of Alberta Ministry of Labour	-	-	-	8,400
Federal government	748,299	-	748,299	877,276
Other	357,444	-	357,444	228,436
Total	\$ 5,579,257	\$ -	\$ 5,579,257	\$ 5,528,136

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit with the Royal Bank of Canada in the amount of \$500,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing resolution and a security agreement, covering all revenue of the jurisdiction. There is no outstanding line of credit balance at August 31, 2017.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
Alberta Education	\$ 40,094	\$ 592,711
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	2,707	29,387
Accrued vacation pay liability	616,295	528,187
Other trade payables and accrued liabilities	7,134,002	6,131,723
Total	\$ 7,793,098	\$ 7,279,008

6. DEFERRED REVENUE

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:					
Infrastructure Maintenance Renewal	1,779,660	2,948,234	(1,730,976)	-	2,996,917
Enhancing Leadership Capacity	-	100,000	(16,538)	-	84,462
Capacity in Education Grant	5,863	-	(5,863)	-	-
Other Government of Alberta:					
Southwest Child and Family Services	26,719	97,490	(97,396)	-	26,813
Alberta Mental Health	-	378,997	(364,055)	-	12,942
Other Deferred Revenue:					
School Generated Funds	56,047	107,681	(56,047)	-	107,681
Fees	117,594	337,034	(117,594)	-	337,034
Program Grants	116,801	184,009	(213,581)	-	89,229
Total unexpended deferred operating revenue	\$ 2,106,583	\$ 4,151,945	\$ (2,603,050)	\$ -	\$ 3,657,578
Unexpended deferred capital revenue (Schedule 2)	537,547	21,493,887	(21,687,677)	-	343,757
Expended deferred capital revenue (Schedule 2)	109,048,230	21,687,677	(3,555,998)	-	127,179,909
Total	\$ 111,694,460	\$ 47,333,509	\$ (27,846,725)	\$ -	\$ 131,181,244

7. EMPLOYEE FUTURE BENEFIT LIABILITY

Employee future benefit liabilities consist of the following:

	2017	2016
Defined benefit pension plan liability	\$ -	\$ -
Accumulating sick pay liability (vested)	-	-
Accumulating sick pay liability (non-vested)	-	-
Other compensated absences	15,539	20,329
Total	\$ 15,539	\$ 20,329

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

8. DEBT

	2017	2016
Supported debenture outstanding at August 31, 2017 have an interest rate of 9.25%. The terms of the debentures range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 46,853	\$ 243,626

Debenture Debt –Supported

The debenture debt bears interest at a rate of 9.25%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2017-2018	\$ 46,853	\$ 4,334	\$ 51,187
2018-2019	-	-	-
2019-2020	-	-	-
2020-2021	-	-	-
2021-2022	-	-	-
2022 to maturity	-	-	-
Total	\$ 46,853	\$ 4,334	\$ 51,187

9. PREPAID EXPENSES

Prepaid Expenses consists of the following:

	2017	2016
Prepaid Insurance	\$ 60,001	\$ 52,220
Prepaid Software Licensing / Maintenance Costs	84,581	179,417
Other Supplies and Materials	67,190	145,846
Total	\$ 211,772	\$ 377,483

10. OTHER NON-FINANCIAL ASSETS

Other non-financial assets consists of the following:

	2017	2016
Inventory	\$ 144,481	\$ 197,920
Other	-	-
Total	\$ 144,481	\$ 197,920

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

11. ACCUMULATED SURPLUS

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

	2017	2016
Unrestricted surplus	\$ 836,884	\$ 681,341
Operating reserves	<u>11,923,484</u>	<u>12,048,359</u>
Accumulated surplus (deficit) from operations	12,760,168	12,909,700
Investment in tangible capital assets	5,764,843	5,599,408
Capital reserves	1,921,512	1,985,515
Endowments ⁽¹⁾	319,874	319,874
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 20,768,197</u>	<u>\$ 20,814,497</u>

Included in Accumulated surplus from operations are school generated funds to which the Division has no claim. Adjusted accumulated surplus represents funds owned by Lethbridge School District No. 51.

	2017	2016
Accumulated surplus (deficit) from operations	\$ 12,760,168	\$ 12,909,700
Deduct: School generated funds included in accumulated surplus (Note 15)	<u>2,494,335</u>	<u>2,127,982</u>
Adjusted accumulated surplus (deficit) from operations ⁽²⁾	<u>\$ 10,265,833</u>	<u>\$ 10,781,718</u>

(1) Terms of the endowments stipulate that the principal balance be maintained permanently. Investment income of \$40,001 (2016 - \$40,659) is externally restricted for scholarships and is included in deferred revenue. Investment income of \$181,980 (2016 - \$173,949) is unrestricted.

(2) Accumulated surplus represents funding available for use by the school jurisdiction after deducting funds committed for use by the schools.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

12. CONTRACTUAL OBLIGATIONS

	2017	2016
Building projects ⁽¹⁾	\$ 7,666,396	\$ 26,300,000
Building leases	-	-
Service providers ⁽²⁾	7,169,829	6,995,000
Other	-	-
Total	\$ 14,836,225	\$ 33,295,000

1) Building Projects: The jurisdiction is committed to capital expenditures of \$7.0 million of a \$20.9 million construction of a new middle school. The Jurisdiction is also committed to capital expenditures of \$668,000 of architectural costs towards a new elementary school. It is anticipated that these costs will be fully funded from capital revenue from Alberta Education.

2) Service providers: As of August 31, 2017, the jurisdiction has \$7.170 million (2016 - \$6.995 million) in commitments relating to service contracts.

	Building Projects	Building Leases	Service Providers	Other (Specify)	Other
2017-2018	\$ 7,332,396	-	\$ 1,507,064	-	-
2018-2019	334,000	-	1,507,064	-	-
2019-2020	-	-	1,507,064	-	-
2020-2021	-	-	1,507,064	-	-
2021-2022	-	-	1,141,573	-	-
Thereafter	-	-	-	-	-
	\$ 7,666,396	\$ -	\$ 7,169,829	\$ -	\$ -

13. CONTINGENT LIABILITIES

- a) The jurisdiction is a member of Urban Schools Insurance Consortium (USIC). Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. The jurisdiction's share of the pool as at August 31, 2017 is \$212,533 (2016 - \$133,561).
- b) The jurisdiction has been named as a respondent in one claim (2015-2) of which the outcome is not determinable. As the likelihood of the outcome of this claim is not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with the claim. None of these contingent liabilities involve related parties.

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

14. TRUSTS UNDER ADMINISTRATION

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

	2017	2016
Scholarship trusts	\$ 173,924	\$ 173,888
Chinook Regional Foundation for Career Transitions	188,038	146,931
Regional Learning Consortium (Banker board)	304,324	191,068
Total	\$ 666,286	\$ 511,887

15. SCHOOL GENERATED FUNDS

	2017	2016
School Generated Funds, Beginning of Year	\$ 2,186,009	\$ 2,105,675
Gross Receipts:		
Fees	1,314,824	1,047,515
Fundraising	2,102,419	2,169,237
Gifts and donations	509,839	495,913
Grants to schools	-	-
Other sales and services	106,807	147,610
Total gross receipts	4,033,069	4,400,275
Total Related Expenses and Uses of Funds	1,573,005	1,905,450
Total Direct Costs Including Cost of Goods Sold to Raise Funds	2,044,117	2,413,491
School Generated Funds, End of Year	\$ 2,602,015	\$ 2,185,009
Balance included in Deferred Revenue*	\$ 107,681	\$ 58,047
Balance included in Accumulated Surplus (Operating Reserves)**	\$ 2,494,335	\$ 2,127,962

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

16. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Alberta Education				
Accounts receivable / Accounts payable	\$ 4,423,954	\$ 40,094		
Prepaid expenses / Deferred operating revenue	-	3,081,379		
Unexpended deferred capital revenue		343,757		
Expended deferred capital revenue		127,179,909	21,687,677	
Grant revenue & expenses			104,909,738	
ATRF payments made on behalf of district			6,395,525	
Other revenues & expenses				28,921
Other Alberta school jurisdictions	-	-	-	28,821
Alberta Treasury Board and Finance (Principal)	46,853			
Alberta Treasury Board and Finance (Accrued interest)	2,707		24,053	
Alberta Health	-	12,942	376,997	1,512
Post-secondary institutions	-	-	227,339	83,051
Other:				
Alberta Capital Financing Authority		2,707		24,053
Southwest Child and Family Services	-	28,813	97,490	-
TOTAL 2016/2017	\$ 4,473,514	\$ 130,689,601	\$ 133,718,816	\$ 166,358
TOTAL 2015/2016	\$ 4,422,422	\$ 112,021,116	\$ 135,579,464	\$ 197,875

Lethbridge School District No. 51

Notes to Financial Statements

August 31, 2017

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 24th, 2016. It is presented for information purposes only and has not been audited.

19. COMPARATIVE FIGURES

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

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	\$0	\$782	\$0	\$782	\$0
Basic Instruction Fees					
Basic instruction supplies	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction					
Technology user fees	\$0	\$0	\$0	\$0	\$0
Alternative program fees	\$0	\$7,252	\$6,005	\$6,656	\$6,601
Fees for optional courses	\$325,219	\$213,663	\$85,057	\$216,728	\$81,992
Activity fees	\$120,000	\$13,747	\$2,889	\$13,011	\$3,625
Early childhood services	\$0	\$302,064	\$277	\$301,944	\$397
Other fees to enhance education	\$0	\$37,790	\$86,395	\$10,978	\$113,207
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Other Enhancement fees (describe)	\$0	\$0	\$0	\$0	\$0
Non-Curricular fees					
Extracurricular fees	\$895,000	\$717,867	\$175,266	\$705,214	\$187,919
Non-curricular travel	\$0	\$38,648	\$908	\$38,648	\$908
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$0	\$198,260	\$203,297	\$175,777	\$225,780
Other Fees (describe)	\$80,000	\$0	\$0	\$0	\$0
Other Fees (describe)	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$1,420,219	\$1,530,073	\$560,094	\$1,469,738	\$620,429

*Unexpended balances cannot be less than \$0

Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):	Actual 2017	Actual 2016
Cafeteria sales, hot lunch, milk programs	\$0	\$0
Special events, graduation, tickets	\$0	\$0
International and out of province student revenue	\$369,617	\$191,860
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$106,277	\$104,720
Adult education revenue	\$0	\$0
Preschool	\$0	\$0
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$475,894	\$296,580

SCHEDULE 9

3040

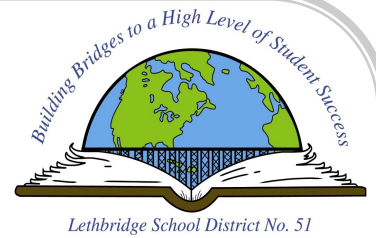
UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2017 (in dollars)					
	PROGRAM AREA				
	First Nations, Metis & Inuit (FNMI)	ECS Program Unit Funding (PUF)	English as a Second Language (ESL)	Inclusive Education	Small Schools by Necessity (Revenue only)
Funded Students in Program	743	188	835		
Federally Funded Students	29				
REVENUES					
Alberta Education allocated funding	\$ 877,094	\$ 3,410,455	\$ 839,984	\$ 7,546,288	\$ 99,329
Other funding allocated by the board to the program	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 877,094	\$ 3,410,455	\$ 839,984	\$ 7,546,288	\$ 99,329
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 674,257	\$ 460,385	\$ 1,053,498	\$ 3,211,656	
Instructional non-certificated salaries & benefits	\$ 511,811	\$ 2,718,932	\$ 61,919	\$ 8,153,828	
SUB TOTAL	\$ 1,186,068	\$ 3,179,317	\$ 1,115,417	\$ 11,365,484	
Supplies, contracts and services	\$ 51,940	\$ 33,288	\$ 16,838	\$ 118,520	
Program planning, monitoring & evaluation	\$ -	\$ 45,429	\$ -	\$ 81,290	
Facilities (required specifically for program area)	\$ -	\$ 23,622	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ 131,778	\$ -	\$ 443,624	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 1,238,008	\$ 3,413,434	\$ 1,132,255	\$ 12,008,918	
NET FUNDING SURPLUS (SHORTFALL)	\$ (360,914)	\$ (2,979)	\$ (292,271)	\$ (4,462,630)	

School Jurisdiction Code: 3040

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2017 (in dollars)								
EXPENSES	Allocated to Board & System Administration				Allocated to Other Programs			TOTAL
	Salaries & Benefits	Supplies & Services	Other	TOTAL	Salaries & Benefits	Supplies & Services	Other	
Office of the superintendent	\$ 459,453	\$ 59,631	\$ -	\$ 519,084	\$ -	\$ -	\$ -	\$ 519,084
Educational administration (excluding superintendent)	\$ 318,697	\$ 9,396	\$ -	\$ 328,093	\$ -	\$ -	\$ -	\$ 328,093
Business administration	\$ 863,466	\$ 305,159	\$ -	\$ 1,168,625	\$ -	\$ -	\$ -	\$ 1,168,625
Board governance (Board of Trustees)	\$ 216,311	\$ 80,050	\$ -	\$ 296,361	\$ -	\$ -	\$ -	\$ 296,361
Information technology	\$ -	\$ 207,180	\$ -	\$ 207,180	\$ 1,158,571	\$ 2,270,783	\$ -	\$ 3,636,534
Human resources	\$ 701,709	\$ 42,958	\$ -	\$ 744,667	\$ -	\$ -	\$ -	\$ 744,667
Central purchasing, communications, marketing	\$ 305,951	\$ 12,850	\$ -	\$ 318,801	\$ -	\$ -	\$ -	\$ 318,801
Payroll	\$ 171,437	\$ -	\$ -	\$ 171,437	\$ -	\$ -	\$ -	\$ 171,437
Administration - insurance			\$ 102,367	\$ 102,367			\$ -	\$ 102,367
Administration - amortization			\$ 122,893	\$ 122,893			\$ -	\$ 122,893
Administration - other (admin building, interest)			\$ -	\$ -			\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 3,037,024	\$ 717,224	\$ 225,260	\$ 3,979,508	\$ 1,158,571	\$ 2,270,783	\$ -	\$ 7,408,862





SECTION THREE

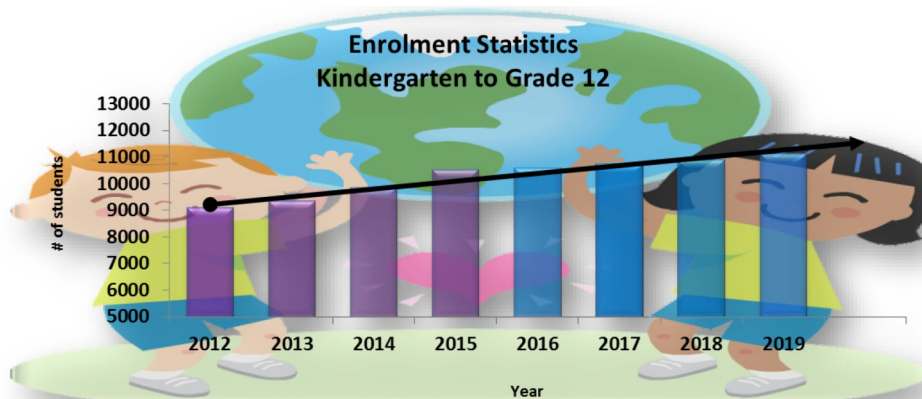
STATISTICS AND RATIOS

YEAR ENDED AUGUST 31, 2017

STATISTICS AND RATIOS

DEMOGRAPHICS AND OTHER FACTORS					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
CITY OF LETHBRIDGE POPULATION	89,074	90,417	93,004	94,804	96,828
NUMBER OF SCHOOLS	19	19	19	21	21
STUDENT ENROLMENT					
Early Education Program	235	287	349	349	349
Kindergarten	696	670	810	794	699
Elementary School	3,173	3,407	3,624	4,087	4,192
Middle School	1,928	1,943	1,985	2,169	2,266
High School	3,040	3,016	3,053	3,095	3,141
TOTAL STUDENT ENROLMENT	9,072	9,323	9,821	10,494	10,647
BUDGETED STAFFING (in FTE)					
Teachers	417.4	423.1	444.5	485.1	504.6
Other Certified Staff	62.1	59.6	62.7	66.0	60.1
Total Certified Staff	479.5	482.7	507.2	551.1	564.7
Educational Assistance	159.8	182.0	192.5	209.9	226.7
Other Uncertified Staff	185.1	191.2	200.5	230.3	217.9
Total Uncertified Staff	344.9	373.2	393.0	440.2	444.6
TOTAL BUDGETED STAFFING	824.4	855.9	900.2	991.3	1,009.3

* Statistical information on Population is an extract from the City of Lethbridge's 2016 Annual Report



SCHOOL DISTRICT COMPARISONS

(Note: 2016/2017 comparative data not available at time of report)

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
CURRENT RATIO (LIQUIDITY)	2.80	3.49	2.37	2.44	2.24
Comparable Jurisdictions (based on FTE enrolment)	2.27	2.27	1.66	1.71	
All Jurisdictions in Alberta	1.77	1.76	1.57	1.63	
ACCUMULATED SURPLUS FROM OPERATIONS	7.66%	8.38%	9.15%	9.45%	8.70%
Comparable Jurisdictions (based on FTE enrolment)	8.59%	8.52%	5.58%	5.64%	
All Jurisdictions in Alberta	6.08%	6.63%	6.36%	6.50%	
WORKING CAPITAL PER STUDENT	\$ 1,180	\$ 1,198	\$ 1,344	\$ 1,459	\$ 1,401
Comparable Jurisdictions (based on FTE enrolment)	\$ 1,227	\$ 1,347	\$ 793	\$ 833	
All Jurisdictions in Alberta	\$ 926	\$ 1,011	\$ 1,045	\$ 1,099	
CAPITAL ASSETS - EQUIPMENT/VEHICLES (NBV to cost)	45.52%	40.56%	36.42%	39.88%	43.37%
Comparable Jurisdictions (based on FTE enrolment)	29.28%	35.06%	28.32%	31.22%	
All Jurisdictions in Alberta	29.26%	28.17%	26.90%	27.46%	
CAPITAL ASSETS - SCHOOLS/BUILDINGS (NBV to cost)	67.57%	65.67%	64.90%	68.43%	70.23%
Comparable Jurisdictions (based on FTE enrolment)	52.53%	51.74%	58.97%	61.83%	
All Jurisdictions in Alberta	56.60%	56.38%	56.79%	60.30%	
CAPITAL RESERVES PER STUDENT	\$ 132	\$ 104	\$ 122	\$ 198	\$ 184
Comparable Jurisdictions (based on FTE enrolment)	\$ 228	\$ 308	\$ 127	\$ 187	
All Jurisdictions in Alberta	\$ 242	\$ 256	\$ 334	\$ 383	

** Statistical information on Comparable and Provincial Jurisdictions are provided by Alberta Education (Financial Reporting and Accountability Branch).*



For additional details on the Ratios Comparisons (above), please see the "Financial Health Indicators" section of the Financial Statement Discussion and Analysis (included in this report).

A full report on the Financial Health Indicators is also available of the District's website:

www.lethsd.ab.ca > Planning & Reporting > Financial Statements

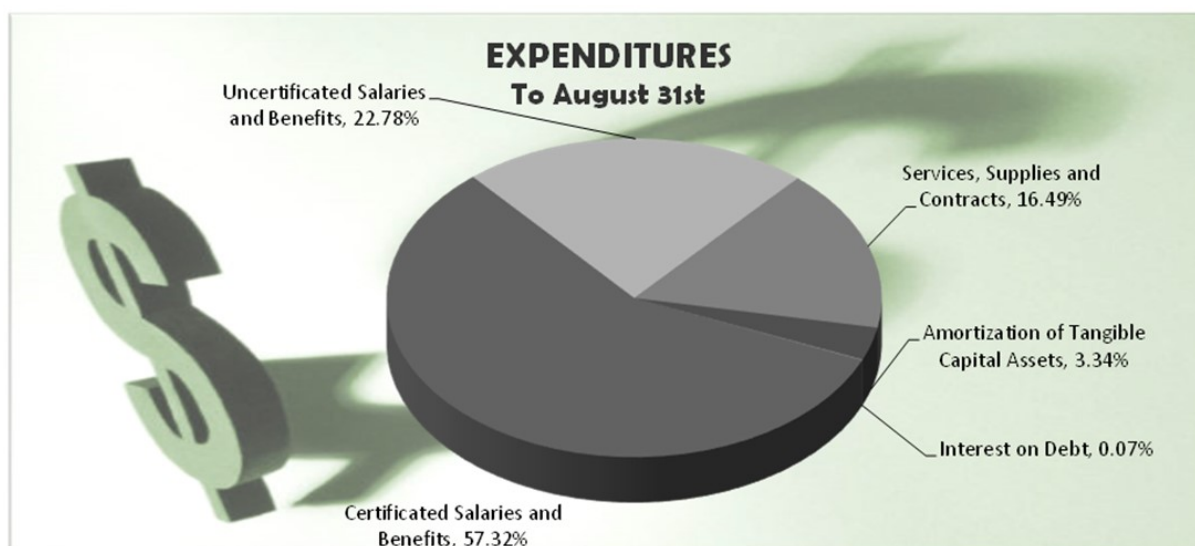
STATISTICS AND RATIOS - Continued

FINANCIAL POSITION					
(in Thousands)					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
FINANCIAL ASSETS	16,009	14,915	21,312	24,829	26,502
FINANCIAL LIABILITIES	(91,854)	(88,755)	(95,951)	(119,238)	(139,037)
NET FINANCIAL ASSETS (DEBT)	(75,845)	(73,840)	(74,639)	(94,409)	(112,535)
TANGIBLE CAPITAL ASSETS (NBV)	90,578	89,392	91,996	114,648	132,945
OTHER NON-FINANCIAL ASSETS	495	550	567	575	356
ACCUMULATED SURPLUS	15,228	16,102	17,924	20,814	20,766
NET FINANCIAL ASSETS (DEBT)	(75,845)	(73,840)	(74,639)	(94,409)	(112,535)
Exclude: EXPENDED DEFERRED CAPITAL REVENUES (EDCR)	86,129	84,476	86,916	109,048	127,180
NET FINANCIAL ASSETS (EXCLUDING EDCR)	10,284	10,636	12,277	14,639	14,645
TANGIBLE CAPITAL ASSETS:					
Historical Cost	135,043	137,327	143,511	169,657	191,837
Accumulated Amortization	(44,465)	(47,935)	(51,515)	(55,009)	(58,892)
TANGIBLE CAPITAL ASSETS (NBV)	90,578	89,392	91,996	114,648	132,945
ACCUMULATED SURPLUS:					
Unrestricted Surplus	800	799	796	861	836
Operating Reserves	8,512	9,143	10,595	12,048	11,923
Capital Reserves	1,149	926	1,133	1,986	1,922
Investment in Tangible Capital Assets	4,449	4,916	5,080	5,599	5,765
Endowments	318	318	320	320	320
ACCUMULATED SURPLUS	15,228	16,102	17,924	20,814	20,766

FINANCIAL POSITION - TANGIBLE CAPITAL ASSETS					
(in Thousands)					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
HISTORICAL COST, OPENING	132,681	135,043	137,327	143,511	169,657
ADDITIONS	2,392	2,384	6,260	26,347	22,318
DISPOSALS	(30)	(100)	(76)	(201)	(139)
HISTORICAL COST, CLOSING	135,043	137,327	143,511	169,657	191,836
ACCUMULATIVE AMORTIZATION, OPENING	40,948	44,465	47,935	51,515	55,009
AMORTIZATION	3,546	3,516	3,578	3,695	3,938
DISPOSALS	(29)	(46)	2	(201)	(56)
ACCUMULATIVE AMORTIZATION, CLOSING	44,465	47,935	51,515	55,009	58,891
NET BOOK VALUE (NBV)	90,578	89,392	91,996	114,648	132,945
SUPPORTED ASSETS (NBV)	86,129	84,476	86,916	109,048	127,180
UNSUPPORTED ASSETS (NBV)	4,449	4,916	5,080	5,599	5,765
NET BOOK VALUE (NBV)	90,578	89,392	91,996	114,647	132,945

* Increase in Tangible Capital Assets (TCA) in 2015/2016 & 2016/2017 relates to the construction of a new elementary school (Coalbanks Elementary - opening September 2017) and starting the construction of a new middle school (opening September 2018).

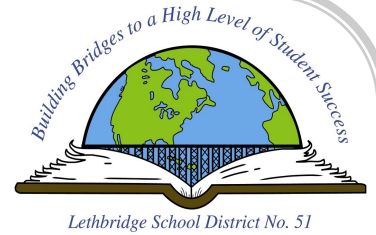
OPERATIONS (in Thousands)					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
REVENUES:					
Alberta Education	93,680	93,152	100,461	109,434	111,305
Other - Government of Alberta	577	546	588	520	486
Federal Government and First Nations	394	406	210	444	318
Fees	2,879	2,226	2,597	2,299	1,530
Other Sales and Services	798	553	591	1,034	1,318
Investment Income	118	141	153	174	182
Gifts and Donations	470	832	462	620	682
Rental of Facilities	36	35	35	35	33
Fundraising	2,580	2,325	2,208	2,482	2,029
TOTAL REVENUES	101,532	100,216	107,305	117,042	117,883
EXPENSES (by Program):					
Instruction - ECS	4,490	5,125	6,023	6,843	6,878
Instruction - Grades 1 -12	75,131	76,430	80,951	88,256	91,002
Plant Operations and Maintenance	12,552	11,659	12,400	12,596	13,311
Transportation	2,161	2,435	2,444	2,593	2,477
Board & System Administration	3,378	3,516	3,483	3,606	3,979
External Services	158	177	185	258	284
TOTAL EXPENSES	97,870	99,342	105,486	114,152	117,931
OPERATING SURPLUS	3,662	874	1,819	2,890	(48)
EXPENSES (by Type):					
Certificated Salaries and Benefits	56,360	57,868	59,603	66,914	67,602
Uncertificated Salaries and Benefits	21,635	22,172	23,565	25,571	26,862
Services, Contracts and Supplies	16,195	15,669	18,629	17,863	19,442
Amortization	3,546	3,516	3,578	3,695	3,938
Interest on Capital Debt	133	90	64	44	24
Other Interest and Finance Changes	1	27	47	65	63
TOTAL EXPENSES	97,870	99,342	105,486	114,152	117,931





WINSTON CHURCHILL
HIGH SCHOOL

1977

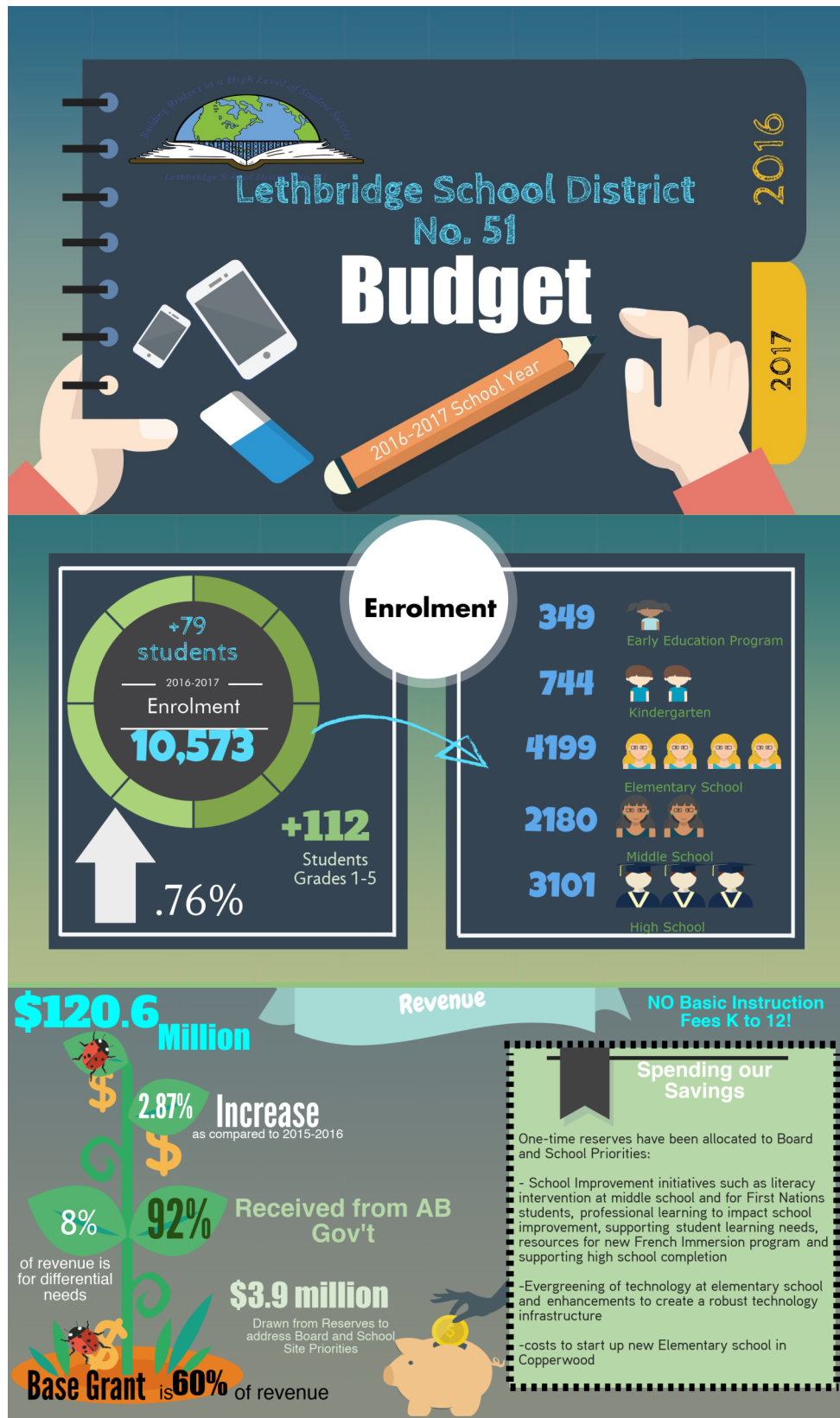


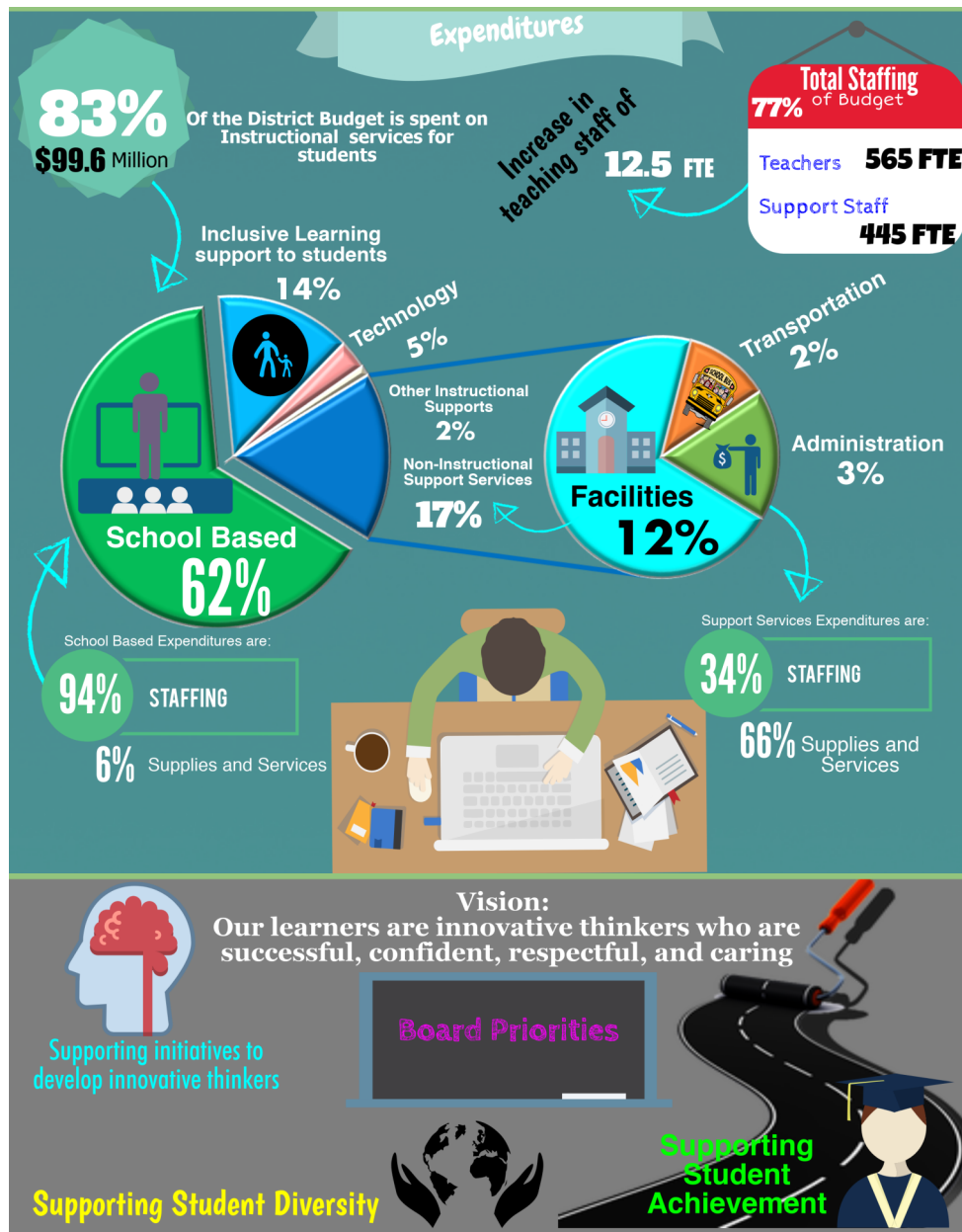
SECTION FOUR

APPENDIX AND GLOSSARY

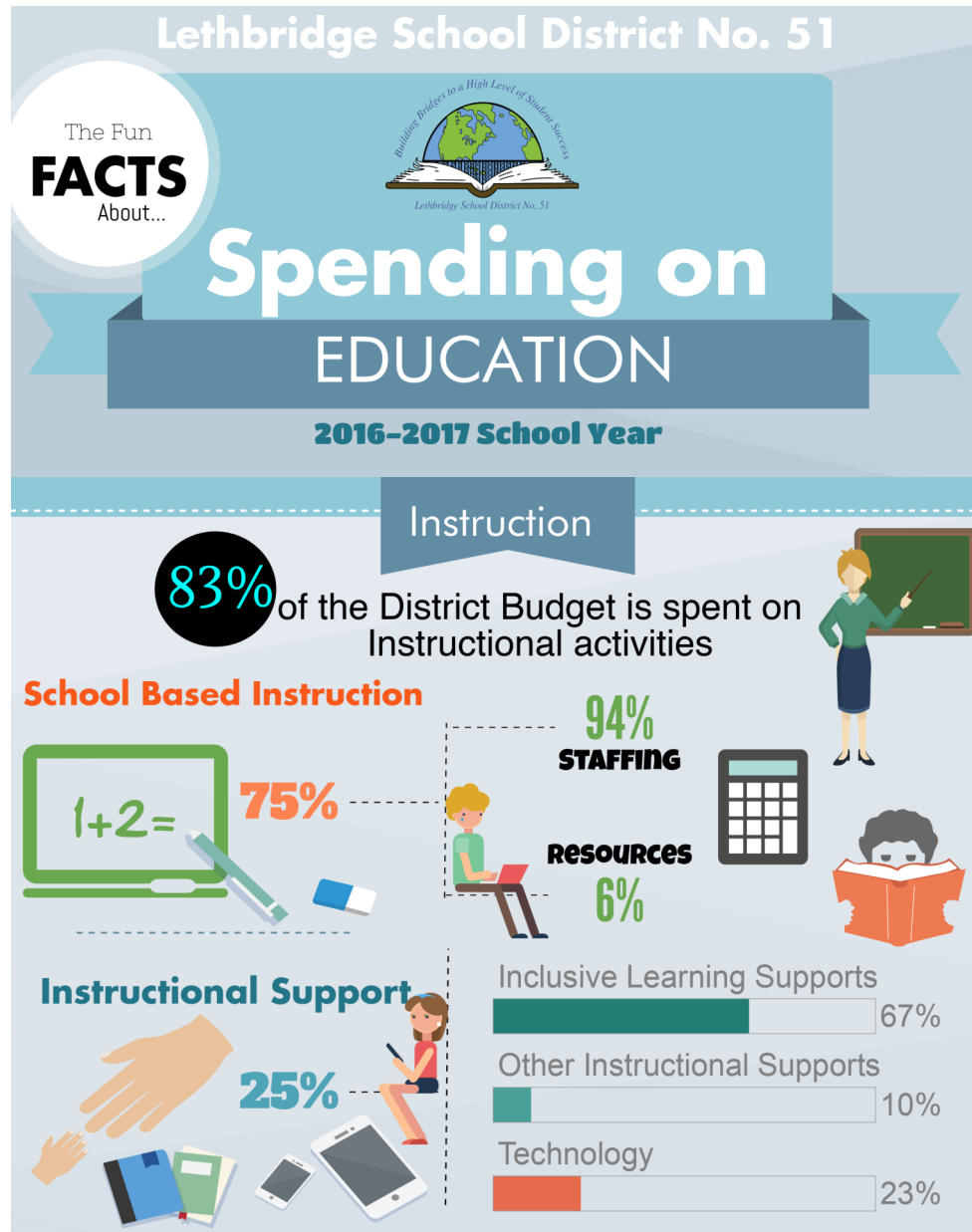
YEAR ENDED AUGUST 31, 2017

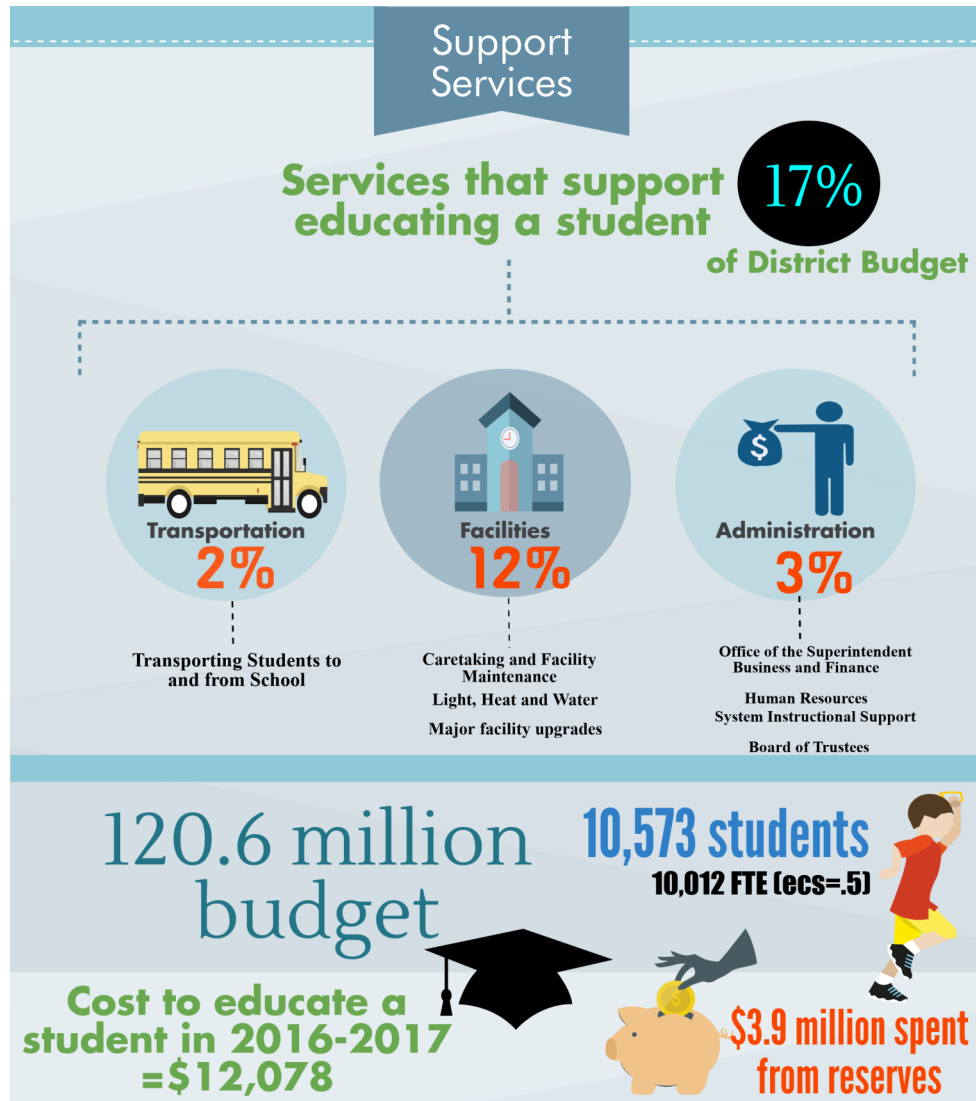
APPENDIX 1 - 2016/2017 Preliminary Budget



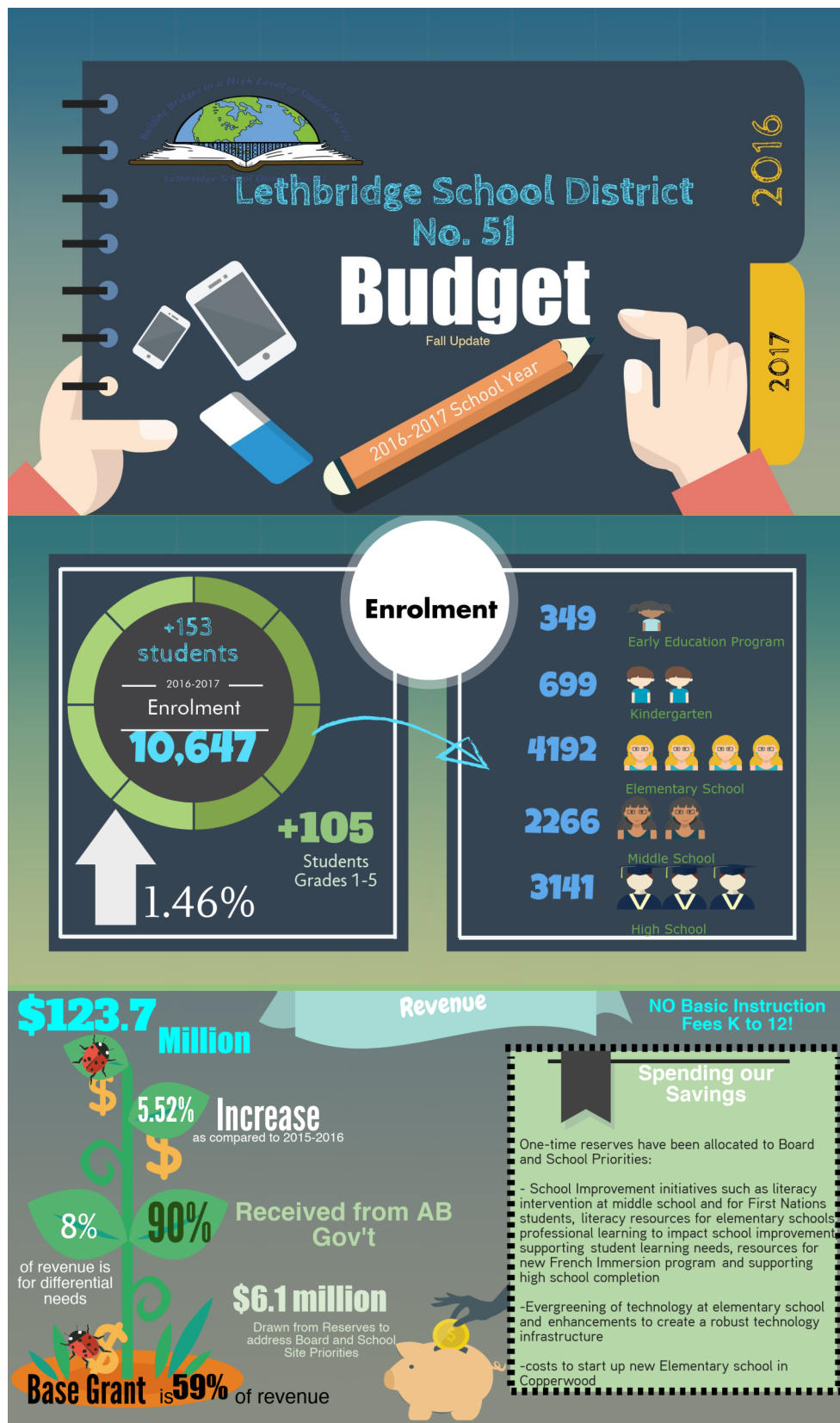


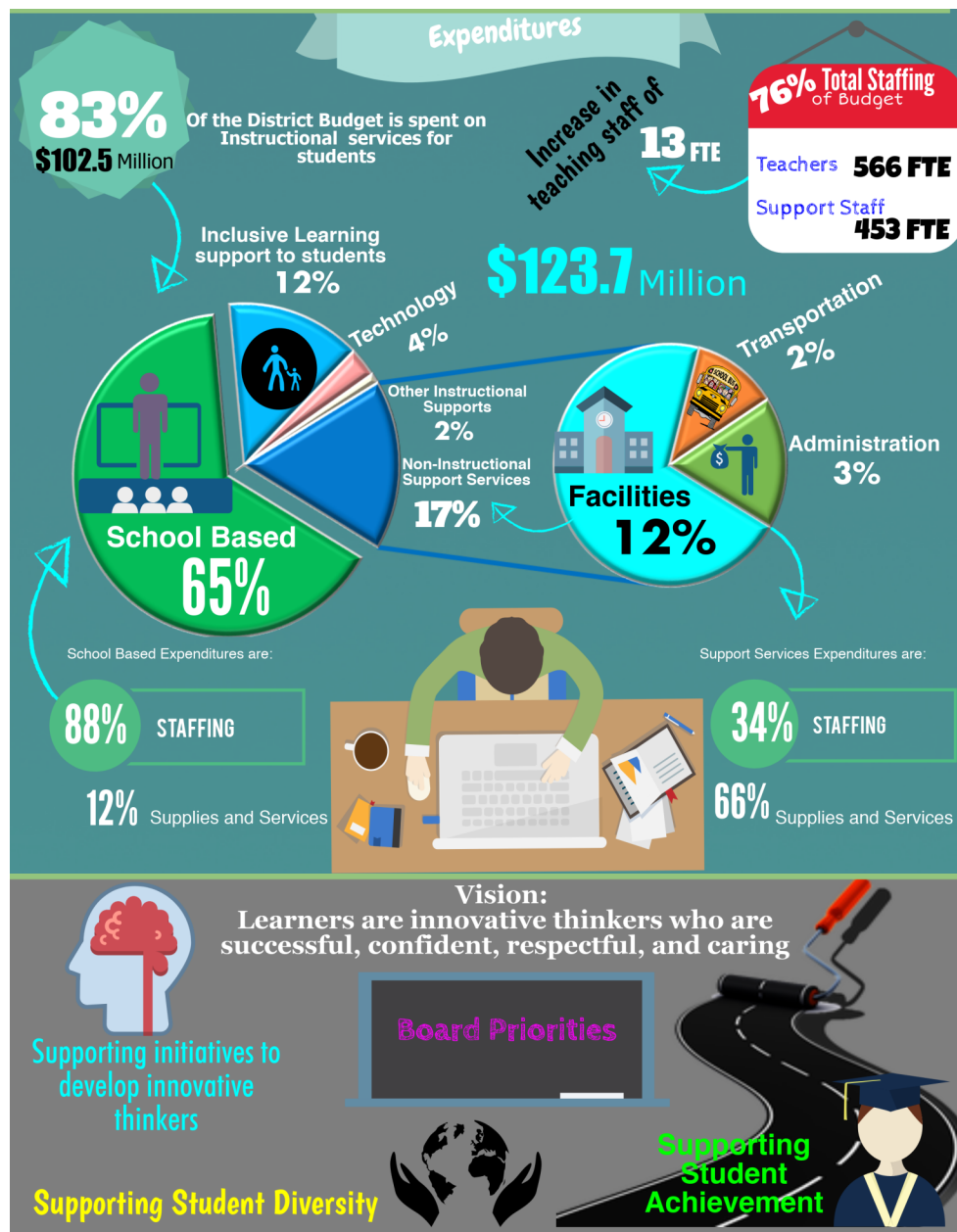
APPENDIX 2 - 2016/2017 SPENDING ON EDUCATION



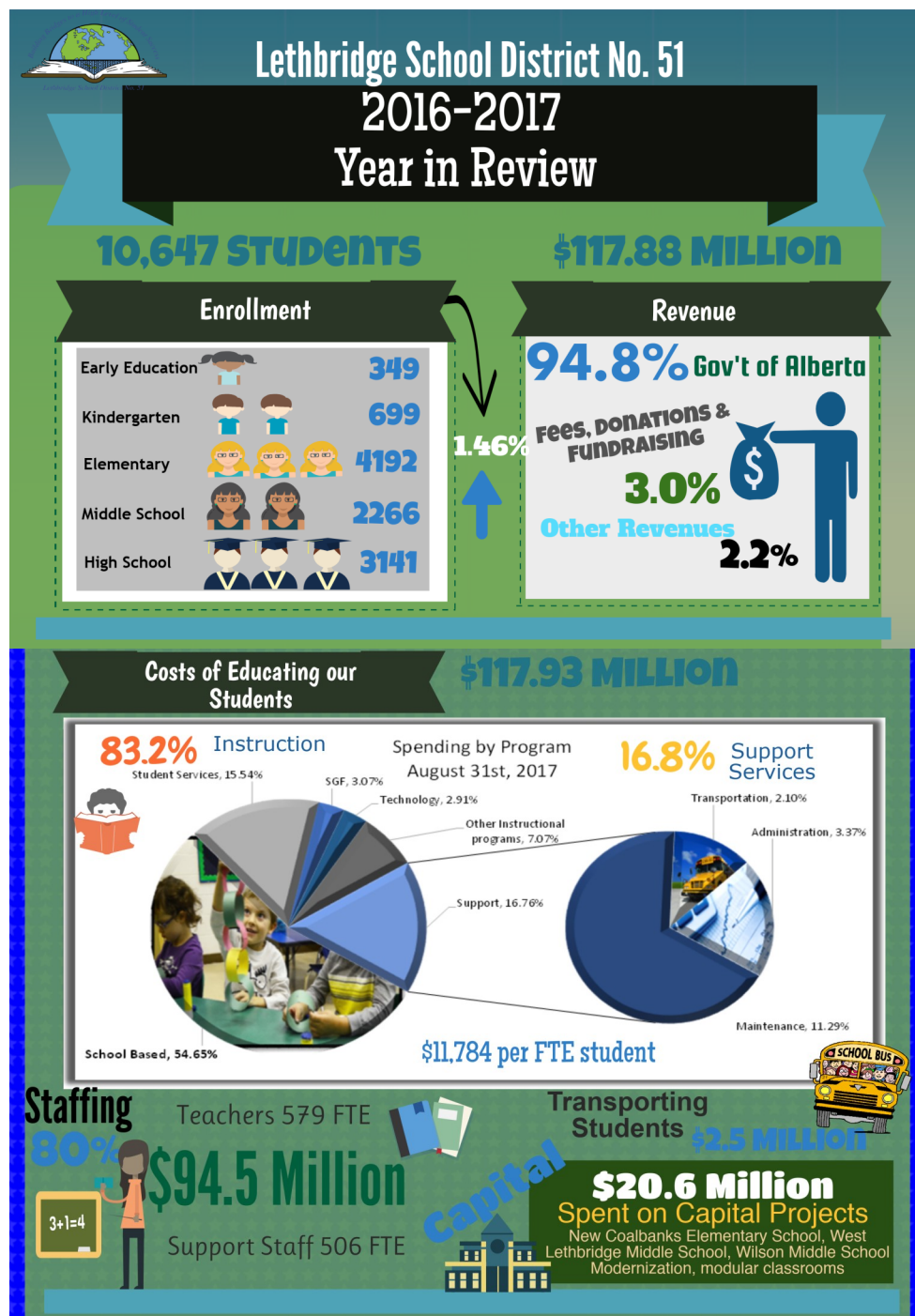


APPENDIX 3 - 2016/2017 SEPTEMBER 30TH BUDGET





APPENDIX 4 - 2016/2017 YEAR IN REVIEW

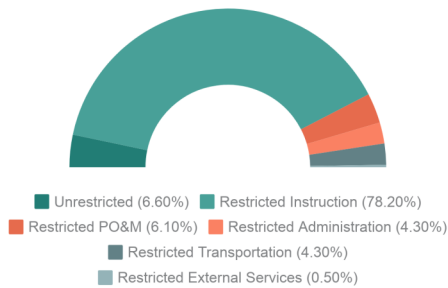


Operating Deficit \$48,300

Planned use of prior years savings

Accumulated Surplus From Operations

\$12.76 Million



- \$ \$1.63 million school based reserves
- \$ \$2.5 million school generated activities and fundraising
- \$ \$1.97 million for resources for new school facilities in 2017-2018, planning and special projects.
- \$ \$1.8 million to evergreen computers starting 2018-2019.
- \$ \$285,200 to support inclusive learning in 2017-2018
- \$ \$400,000 future bus replacement costs

GLOSSARY

ACCOUNTABILITY PILLAR

Data provided by Alberta Education to give school boards a consistent way to measure their success and assess progress using a broad spectrum of measures. It is based on a set of common factors that measure outcomes in specific categories, giving a clear picture of how well learning goals are being achieved. It also helps identify areas that need improvement and set priorities for the future.

ACCUMULATED SURPLUS FROM OPERATIONS

Is the total unrestricted net assets and operating reserves of the District.

ALBERTA EDUCATION

Department of the Government of Alberta, responsible for developing curriculum and setting standards, evaluating curriculum and assessing outcomes, teacher development and certification, supporting special needs students, funding and supporting school boards, Aboriginal and francophone education, and overseeing basic education policy and regulations. Alberta Education also approves and funds new facilities and infrastructure for school jurisdictions in cooperation with Alberta Infrastructure and Transportation.

ALBERTA FINANCE

Department of the Government of Alberta responsible for economic and fiscal policy advice to the government as well as tax and regulatory administration.

ALBERTA INFRASTRUCTURE AND TRANSPORTATION

Department of the Government of Alberta, responsible for the provision of infrastructure for health care, education, community, seniors' lodges, municipal transportation, and municipal water/wastewater treatment and distribution.

AMORTIZATION

The systematic allocation of an asset to expense over a certain period of time. This is a non-cash transaction, in which, an asset is expensed over its projected useful life.

APPROVED BUDGET

The budget(s) that have been presented and have been approved by the Board of Trustees by way of Motion, which will govern the Districts operations for the budget year. This may include Preliminary and September 30th operating budgets.

BALANCED BUDGET

A budget where the total budgeted revenues/transfers in match the total budgeted expenditures/transfers out.

BASE FUNDING

Funding provided on a per student basis for every full time equivalent (FTE) student from Kindergarten (ECS) to grade 12.

BENEFITS

The employer's share of amounts paid on behalf of employees for statutory and pension contributions, and medical and insurance benefits. It also includes allowances which are taxable payments made to (or on behalf of) employees for sabbatical leave, advanced study and training, and for negotiable or board-authorized allowances including automobile, subsidized housing, relocation, retirement, and supplementary unemployment benefits.

CAPITAL AND DEBT SERVICES

Includes the provision for amortization of the district's capital assets, Infrastructure Maintenance and Renewal grant expenditures, and interest on debenture debt.

CERTIFIED STAFFING

Employees (teachers) holding a valid teaching certificate.

CAPITAL BUDGET/PLAN

The planned capital revenues, expenditures, and transfers required for the acquisition/construction of the tangible capital assets over a threshold of \$250,000.

CAPITAL EXPENDITURES

Expenditures to acquire, develop or construct tangible capital assets.

CONTRACTED SERVICES

Services provided to the District by external organizations, individuals, or agencies. The District contracted out these services as the District does not have the expertise or resources to complete the work internally (i.e. engineering and legal services).

DIFFERENTIAL FUNDING

Funding allocated to recognize the uniqueness of school boards. A funding allocation designed to address variable cost factors that a school jurisdiction may face due to the uniqueness of the student population or jurisdiction profile. Some of this funding includes First Nation Métis and Inuit, Severe Disabilities, English as A Second Language, and Small Schools by Necessity

DIVISION OF INSTRUCTIONAL SERVICES

System based instruction services to support the implementation of curriculum, coordination of in-service instruction, assist teachers with program delivery, and implementation of system wide initiatives.

ELEMENTARY SCHOOL

Schools that provide instruction to students enrolled in Kindergarten to grade five. Also includes Lethbridge Christian School which is a Kindergarten to grade eight school and Immanuel Christian Elementary School which is a Kindergarten to grade six school.

EXPENDITURE/EXPENSES

The use of financial resources for cash outflows or transactions resulting in current or future cash outflows.

INSTITUTIONAL PROGRAMS

School instruction provided in a secure residence that is prescribed as an institution whereby lodging and care are provided on a 24-hour basis. Lethbridge School District No. 51 provides instruction to four institutional programs.

KINDERGARTEN PROGRAM

Also known as ECS. This program offers a minimum of 475 hours of instruction to children who are at least 4 years 6 months of age and less than 6 years as of September 1 of the school year.

MIDDLE SCHOOL

schools that provide instruction to students enrolled in grade six to eight.

OPERATING BUDGET

The planned operating revenues, expenditures and transfers required to deliver the programs and services that the District provides. It does not include capital expenditures over \$250,000, which is included under the Capital Plan.

RESERVES

The operating and capital funds held for a future use or for a specific purpose. These reserves are typically unspent funds from a prior school year and are available for allocation to a future school year. Some of these reserves are saved for multiple budget years (i.e. computer evergreening).

REVENUES

The financial resources received from cash inflows or transactions resulting in current or future cash inflows.

SALARIES

All remuneration/wages paid or accrued to employees of the District.

SCHOOL ACT

Legislation of the Province of Alberta governing the formation, governance, and operation of school jurisdictions.

SURPLUS

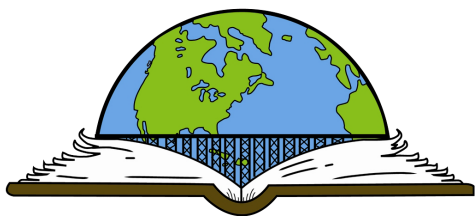
The result of revenues/transfers in exceeding the expenditures/transfers out (revenues greater than expenses). Surpluses are often transferred to reserves at the yearend to be used in future budget years.

TANGIBLE CAPITAL ASSETS

A capital asset that has a physical form. These Tangible capital assets (TCA) include (but are not limited to) land, buildings, vehicles, and equipment. The supported TCA are assets that were grant funded by the Province or Alberta. Unsupported TCA are assets that were funded by the School District.

UNCERTIFIED STAFFING

Staffing of the school jurisdiction that do not hold teaching certificates. Also known as Support Staff.



CONTACT INFORMATION

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433 - 15TH STREET SOUTH,
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