

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2019**
[Education Act (formerly School Act), Sections 139, 140, 244]

The Edmonton Catholic Separate School Division

Legal Name of School Jurisdiction

9807 - 106 Street Edmonton AB T5K 1C2

Mailing Address

(780) 441-6000 (780) 425-8759 james.grattan@ecsd.net

Contact Numbers and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The Edmonton Catholic Separate School Division 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

Laura Thibert

Name

Original Signed

Signature

SUPERINTENDENT

Joan Carr

Name

Original Signed

Signature

SECRETARY-TREASURER OR TREASURER

James Grattan

Name

Original Signed

Signature

November 27, 2019

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: Ash: (780) 415-8940; Jianan: (780) 427-3855 FAX: (780) 422-6996

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF OPERATIONS	6
STATEMENT OF CASH FLOWS	7
STATEMENT OF CHANGE IN NET DEBT	8
STATEMENT OF REMEASUREMENT GAINS AND LOSSES	9
SCHEDULE 1: SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS	10
SCHEDULE 2: SCHEDULE OF DEFERRED CONTRIBUTIONS	12
SCHEDULE 3: SCHEDULE OF PROGRAM OPERATIONS	13
SCHEDULE 4: SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE	14
SCHEDULE 5: SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS	15
SCHEDULE 6: SCHEDULE OF TANGIBLE CAPITAL ASSETS	16
SCHEDULE 7: SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES	17
NOTES TO THE FINANCIAL STATEMENTS	18
SCHEDULE 8: UNAUDITED SCHEDULE OF FEES	37
SCHEDULE 9: UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING	38
SCHEDULE 10: UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES	39
SCHEDULE 11: UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES	40

Independent Auditor's Report

Grant Thornton LLP
1701 Scotia Place 2
10060 Jasper Avenue NW
Edmonton, AB
T5J 3R8
T +1 780 422 7114
F +1 780 426 3208

To the Board of Trustees of
Edmonton Catholic Separate School Division

Opinion

We have audited the financial statements of The Edmonton Catholic Separate School Division, ("the Division"), which comprise the statement of financial position as at August 31, 2019, and the statements of operations, change in financial assets (net debt), re-measurement gains and losses, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Edmonton Catholic Separate School District, as at August 31, 2019, and its results of operations, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Division's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada

November 27, 2019

Grant Thornton LLP
Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION
As at August 31, 2019 (in dollars)

		2019	2018 Restated
FINANCIAL ASSETS			
Cash and cash equivalents	(Schedule 5; Note 3)	\$ 34,135,776	\$ 64,011,006
Accounts receivable (net after allowances)	(Note 4)	\$ 23,163,474	\$ 26,353,318
Portfolio investments			
Operating	(Schedule 5)	\$ 30,000,000	\$ -
Endowments		\$ -	
Inventories for resale		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 87,299,250	\$ 90,364,324
LIABILITIES			
Bank indebtedness	(Note 5)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 36,408,940	\$ 39,461,168
Deferred contributions	(Note 7)	\$ 432,803,751	\$ 412,233,197
Employee future benefits liabilities	(Note 8)	\$ 5,753,686	\$ 5,741,786
Liability for contaminated sites		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures		\$ -	\$ -
Unsupported: Debentures		\$ -	\$ -
Mortgages and capital loans		\$ -	\$ -
Capital leases	(Note 9)	\$ 10,614,502	\$ 10,927,538
Total liabilities		\$ 485,580,879	\$ 468,363,689
Net debt		\$ (398,281,629)	\$ (377,999,365)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Schedule 6)	\$ 462,856,008	\$ 439,407,238
Inventory of supplies		\$ 2,542,791	\$ 2,098,416
Prepaid expenses	(Note 10)	\$ 3,739,133	\$ 2,674,433
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 469,137,932	\$ 444,180,087
Accumulated surplus	(Schedule 1; Note 11)	\$ 70,856,303	\$ 66,180,722
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 70,856,303	\$ 66,180,722
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 70,856,303	\$ 66,180,722
Contractual rights	(Note 17)		
Contractual obligations	(Note 18)		
Contingent liabilities	(Note 19)		

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

STATEMENT OF OPERATIONS
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019	Actual 2019	Actual 2018 Restated
REVENUES			
Government of Alberta	\$ 490,551,000	\$ 418,282,403	\$ 409,003,673
Federal Government and First Nations	\$ 7,867,000	\$ 8,514,581	\$ 8,160,773
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ 66,914,401	\$ 68,148,560
Fees (Schedule 8)	\$ 14,830,000	\$ 15,139,004	\$ 14,647,147
Other sales and services	\$ 5,800,000	\$ 5,391,368	\$ 5,936,859
Investment income	\$ 800,000	\$ 1,228,541	\$ 975,668
Gifts and donations	\$ 4,802,000	\$ 4,411,222	\$ 4,783,438
Rental of facilities	\$ 2,555,000	\$ 2,236,224	\$ 2,643,010
Fundraising	\$ 452,000	\$ 424,593	\$ 396,589
Gains on disposal of capital assets	\$ -	\$ 3,622,524	\$ -
Other revenue	\$ -	\$ -	\$ -
Total revenues	\$ 527,657,000	\$ 526,164,861	\$ 514,695,717
EXPENSES			
Instruction - ECS	\$ 48,609,000	\$ 53,009,347	\$ 50,404,624
Instruction - Grades 1 - 12	\$ 365,942,000	\$ 356,540,552	\$ 357,334,657
Plant operations and maintenance (Schedule 4)	\$ 68,370,000	\$ 66,729,318	\$ 65,784,412
Transportation	\$ 21,678,000	\$ 22,361,390	\$ 22,291,628
Board & system administration	\$ 15,120,000	\$ 14,994,170	\$ 14,985,377
External services	\$ 7,938,000	\$ 7,854,503	\$ 7,870,229
Total expenses	\$ 527,657,000	\$ 521,489,280	\$ 518,670,927
Operating surplus (deficit)	\$ -	\$ 4,675,581	\$ (3,975,210)
Accumulated operating surplus (deficit) at beginning of year		\$ 66,180,722	\$ 70,155,932
Accumulated operating surplus (deficit) at end of year	\$ -	\$ 70,856,303	\$ 66,180,722

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

STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2019 (in dollars)

	2019	2018 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 4,675,581	\$ (3,975,210)
Add (Deduct) items not affecting cash:		
Amortization of tangible capital assets	\$ 17,459,905	\$ 16,724,188
Net (gain)/loss on disposal of tangible capital assets	\$ (3,544,102)	\$ 8,495
Transfer of tangible capital assets (from)/to other entities	\$ (8,237,538)	\$ -
(Gain)/Loss on sale of portfolio investments	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (14,313,537)	\$ (13,022,171)
Deferred capital revenue write-down / adjustment	\$ -	\$ -
Donations in kind	\$ -	\$ -
	\$ (3,959,691)	\$ (264,698)
(Increase)/Decrease in accounts receivable	\$ 3,189,844	\$ (2,660,165)
(Increase)/Decrease in inventories for resale	\$ -	\$ -
(Increase)/Decrease in other financial assets	\$ -	\$ -
(Increase)/Decrease in inventory of supplies	\$ (444,375)	\$ 1,238,597
(Increase)/Decrease in prepaid expenses	\$ (1,064,700)	\$ 33,056
(Increase)/Decrease in other non-financial assets	\$ -	\$ -
Increase/(Decrease) in accounts payable, accrued and other liabilities	\$ (3,052,228)	\$ 2,642,970
Increase/(Decrease) in deferred revenue (excluding EDCC)	\$ 34,884,091	\$ 15,950,768
Increase/(Decrease) in employee future benefit liabilities	\$ 11,900	\$ 683,400
Other - Trade payables for capital projects	\$ (2,364,272)	\$ (4,352,682)
Total cash flows from operating transactions	\$ 27,200,569	\$ 13,271,246
B. CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	\$ (32,749,572)	\$ (15,206,659)
Net proceeds from disposal of unsupported capital assets	\$ 3,622,537	\$ 1,431
Other - Trade payables for capital projects	\$ 2,364,272	\$ 4,352,682
Total cash flows from capital transactions	\$ (26,762,763)	\$ (10,852,546)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (30,000,000)	\$ -
Proceeds on sale of portfolio investments	\$ -	\$ -
Other (Describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (30,000,000)	\$ -
D. FINANCING TRANSACTIONS		
Debt issuances	\$ -	\$ -
Debt repayments	\$ -	\$ -
Other factors affecting debt (describe)	\$ -	\$ -
Capital lease issuances	\$ -	\$ -
Capital lease payments	\$ (313,036)	\$ -
Other (describe)	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (313,036)	\$ -
Increase (decrease) in cash and cash equivalents	\$ (29,875,230)	\$ 2,418,700
Cash and cash equivalents, at beginning of year	\$ 64,011,006	\$ 61,592,306
Cash and cash equivalents, at end of year	\$ 34,135,776	\$ 64,011,006

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

STATEMENT OF CHANGE IN NET DEBT
For the Year Ended August 31, 2019 (in dollars)

	Budget 2019	2019	2018
Operating surplus (deficit)	\$ -	\$ 4,675,581	\$ (3,975,210)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ 2,640,000	\$ (32,749,572)	\$ (25,081,006)
Amortization of tangible capital assets	\$ 17,075,000	\$ 17,459,905	\$ 16,724,188
Net (gain)/loss on disposal of tangible capital assets	\$ 20,000	\$ (3,544,102)	\$ 8,495
Net proceeds from disposal of unsupported capital assets	\$ -	\$ 3,622,537	\$ 1,431
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Transfer of tangible capital assets (from)/to other entities	\$ -	\$ (8,237,538)	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 19,735,000	\$ (23,448,770)	\$ (8,346,892)
Acquisition of inventory of supplies	\$ -	\$ (444,375)	
Consumption of inventory of supplies	\$ -	\$ -	
(Increase)/Decrease in prepaid expenses	\$ -	\$ (1,064,700)	\$ 1,051,736
(Increase)/Decrease in other non-financial assets	\$ -	\$ -	\$ 219,917
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ 19,735,000	\$ (20,282,264)	\$ (11,050,449)
Net debt at beginning of year	\$ (377,999,365)	\$ (377,999,365)	\$ (366,948,916)
Net debt at end of year	\$ (358,264,365)	\$ (398,281,629)	\$ (377,999,365)

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2019 (in dollars)

	2019	2018
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Derivatives	\$ -	\$ -
Other	\$ -	\$ -
Other Adjustment (Describe)	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at beginning of 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, 2019 (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, 2018	\$ 66,180,722	\$ -	\$ 66,180,722	\$ 30,884,674	\$ -	\$ (0)	\$ 19,725,432	\$ 15,570,616
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 66,180,722	\$ -	\$ 66,180,722	\$ 30,884,674	\$ -	\$ (0)	\$ 19,725,432	\$ 15,570,616
Operating surplus (deficit)	\$ 4,675,581		\$ 4,675,581			\$ 4,675,581		
Board funded tangible capital asset additions				\$ 3,019,854		\$ (265,116)	\$ -	\$ (2,754,738)
Disposal of unsupported tangible capital assets or board funded portion of supported	\$ -		\$ -	\$ (78,435)		\$ (3,543,102)		\$ 3,621,537
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	\$ -			\$ (17,459,905)		\$ 17,459,905		
Capital revenue recognized	\$ -			\$ 14,313,537		\$ (14,313,537)		
Debt principal repayments (unsupported)	\$ -			\$ 540,499		\$ (540,499)		
Additional capital debt or capital leases	\$ -			\$ (227,463)		\$ 227,463		
Net transfers to operating reserves	\$ -					\$ (23,426,127)	\$ 23,426,127	
Net transfers from operating reserves	\$ -					\$ 19,725,432	\$ (19,725,432)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 70,856,303	\$ -	\$ 70,856,303	\$ 30,992,761	\$ -	\$ (0)	\$ 23,426,127	\$ 16,437,415

SCHEDULE 1

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2019 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2018	\$ 14,969,337	\$ -	\$ -	\$ 15,570,616	\$ 3,764,355	\$ -	\$ 991,740	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2018	\$ 14,969,337	\$ -	\$ -	\$ 15,570,616	\$ 3,764,355	\$ -	\$ 991,740	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ (2,754,738)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets or board funded portion of supported		\$ -		\$ 3,621,537		\$ -		\$ -		\$ -
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	\$ 18,951,078		\$ -		\$ 4,470,587		\$ 4,462		\$ -	
Net transfers from operating reserves	\$ (14,969,337)		\$ -		\$ (3,764,355)		\$ (991,740)		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Changes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2019	\$ 18,951,078	\$ -	\$ -	\$ 16,437,415	\$ 4,470,587	\$ -	\$ 4,462	\$ -	\$ -	\$ -

**SCHEDULE OF DEFERRED CONTRIBUTIONS
(EXTERNALLY RESTRICTED CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2019 (in dollars)**

	Other GoA Ministries excluding Infrastructure					Total Other GoA Ministries	Gov't of Canada	Donations and grants from others	Other	Total other sources
	Alberta Education	Alberta Infrastructure	Alberta Health	Description 2	Description 3					
Deferred Contributions (DC)										
Balance at Aug 31, 2018	\$ 9,380,536	\$ -	\$ 516	\$ -	\$ -	\$ 516	-	\$ 163,231	\$ 3,663,083	\$ 3,826,314
Prior period adjustments - please explain:	-	-	-	-	-	-	-	-	(3,663,083)	3,663,083
Adjusted ending balance Aug. 31, 2018	\$ 9,380,536	\$ -	\$ 516	\$ -	\$ -	\$ 516	\$ -	\$ 163,231	\$ -	\$ 163,231
Received during the year (excluding investment income)	13,223,838	-	-	-	-	-	-	96,260	-	96,260
transfer (to) grant/donation revenue (excluding investment income)	(9,508,079)	-	(516)	-	-	516	-	(127,261)	-	127,261
Investment earnings	-	-	-	-	-	-	-	-	-	-
Received during the year	224,420	-	-	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-	-	-	-
Transferred (to) from UDCC	(6,884,571)	-	-	-	-	-	-	-	-	-
Transferred directly (to) EDCC	-	-	-	-	-	-	-	-	-	-
Transferred (to) from others - please explain:	(121,885)	-	-	-	-	-	-	-	-	-
DC Closing balance at Aug 31, 2019	\$ 6,314,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 132,230	\$ -	\$ 132,230

Unspent Deferred Capital Contributions (UDCC)

Balance at Aug 31, 2018	\$ -	\$ 5,093,891	\$ -	\$ -	\$ -	5,093,891.00	\$ -	\$ -	\$ -	\$ -
Prior period adjustments - please explain:	-	-	-	-	-	-	-	-	-	-
Adjusted ending balance Aug. 31, 2018	\$ -	\$ 5,093,891	\$ -	\$ -	\$ -	\$ 5,093,891	\$ -	\$ -	\$ -	\$ -
Received during the year (excluding investment income)	-	19,136,924	-	-	-	19,136,924	-	-	-	-
UDCC Receivable	-	4,874,667	-	-	-	4,874,667	-	-	-	-
transfer (to) grant/donation revenue (excluding investment income)	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-	-
Received during the year	-	-	-	-	-	-	-	-	-	-
Transferred to investment income	-	-	-	-	-	-	-	-	-	-
Proceeds on disposition of supported capital/ Insurance proceeds (and related interest)	-	-	-	-	-	-	-	-	-	-
Transferred from (to) DC	\$ 6,884,571	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
Transferred from (to) EDCC	(6,884,571)	(22,845,149)	-	-	-	22,845,149	-	-	-	-
Transferred (to) from others- please explain:	-	(1,151,815)	-	-	-	1,151,815	-	-	-	-
Capital purchases	-	-	-	-	-	-	-	-	-	-
UDCC Closing balance at Aug 31, 2019	\$ -	\$ 5,108,518	\$ -	\$ -	\$ -	\$ 5,108,518	\$ -	\$ -	\$ -	\$ -

Expended Deferred Capital Contributions (EDCC)

Balance at Aug 31, 2018	\$ 11,063,532	\$ 386,531,491	\$ -	\$ -	\$ -	\$ 386,531,491	\$ -	\$ -	\$ -	\$ -
Prior period adjustments - please explain:	-	-	-	-	-	-	-	-	-	-
Adjusted ending balance Aug. 31, 2018	\$ 11,063,532	\$ 386,531,491	\$ -	\$ -	\$ -	\$ 386,531,491	\$ -	\$ -	\$ -	\$ -
Donated tangible capital assets	-	-	-	-	-	-	-	-	-	-
Alberta Infrastructure managed projects	-	8,237,538	-	-	-	8,237,538	-	-	-	-
Transferred from DC	-	-	-	-	-	-	-	-	-	-
Transferred from UDCC	6,884,571	22,845,149	-	-	-	22,845,149	-	-	-	-
Amounts recognized as revenue (Amortization of EDCC)	(251,223)	(14,062,314)	-	-	-	14,062,314	-	-	-	-
Disposal of supported capital assets	-	-	-	-	-	-	-	-	-	-
Transferred (to) from others - please explain:	-	-	-	-	-	-	-	-	-	-
EDCC Closing balance at Aug 31, 2019	\$ 17,696,880	\$ 403,551,864	\$ -	\$ -	\$ -	\$ 403,551,864	\$ -	\$ -	\$ -	\$ -

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2019 (in dollars)

REVENUES	2019							2018
	Instruction		Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
	ECS	Grades 1 - 12						
(1) Alberta Education	\$ 52,924,206	\$ 274,559,530	\$ 40,567,148	\$ 17,124,587	\$ 14,994,170	\$ 1,739,184	\$ 401,908,825	\$ 391,009,416
(2) Alberta Infrastructure	\$ -	\$ 1,144,282	\$ 14,656,355	\$ -	\$ -	\$ -	\$ 15,800,637	\$ 16,590,925
(3) Other - Government of Alberta	\$ -	\$ 269,122	\$ 248,819	\$ -	\$ -	\$ -	\$ 517,941	\$ 1,293,332
(4) Federal Government and First Nations	\$ -	\$ 2,303,466	\$ 91,840	\$ -	\$ -	\$ 6,119,275	\$ 8,514,581	\$ 8,160,773
(5) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000	\$ 110,000
(6) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Property taxes	\$ -	\$ 66,914,401	\$ -	\$ -	\$ -	\$ -	\$ 66,914,401	\$ 68,148,560
(9) Fees	\$ 7,850	\$ 10,890,839	\$ -	\$ 4,240,315	\$ -	\$ -	\$ 15,139,004	\$ 14,647,147
(10) Other sales and services	\$ 133,989	\$ 4,891,385	\$ 90,069	\$ -	\$ -	\$ 275,925	\$ 5,391,368	\$ 5,936,859
(11) Investment income	\$ -	\$ 1,228,541	\$ -	\$ -	\$ -	\$ -	\$ 1,228,541	\$ 975,668
(12) Gifts and donations	\$ 322,505	\$ 3,870,656	\$ 218,061	\$ -	\$ -	\$ -	\$ 4,411,222	\$ 4,783,438
(13) Rental of facilities	\$ -	\$ 137,261	\$ 2,098,963	\$ -	\$ -	\$ -	\$ 2,236,224	\$ 2,643,010
(14) Fundraising	\$ -	\$ 424,593	\$ -	\$ -	\$ -	\$ -	\$ 424,593	\$ 396,589
(15) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ 3,622,524	\$ -	\$ -	\$ -	\$ 3,622,524	\$ -
(16) Other revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17) TOTAL REVENUES	\$ 53,388,550	\$ 366,634,076	\$ 61,593,779	\$ 21,364,902	\$ 14,994,170	\$ 8,189,384	\$ 526,164,861	\$ 514,695,717
EXPENSES								
(18) Certificated salaries	\$ 18,390,461	\$ 200,921,879	\$ -	\$ -	\$ 1,897,773	\$ 360,841	\$ 221,570,954	\$ 220,470,781
(19) Certificated benefits	\$ 1,941,750	\$ 46,369,075	\$ -	\$ -	\$ 344,908	\$ 72,461	\$ 48,728,194	\$ 49,689,480
(20) Non-certificated salaries and wages	\$ 22,876,733	\$ 51,736,326	\$ 22,738,777	\$ 887,435	\$ 7,456,714	\$ 4,468,802	\$ 110,164,787	\$ 102,712,980
(21) Non-certificated benefits	\$ 5,403,998	\$ 12,896,662	\$ 5,431,676	\$ 213,020	\$ 1,786,098	\$ 217,408	\$ 25,948,862	\$ 25,743,091
(22) SUB - TOTAL	\$ 48,612,942	\$ 311,923,942	\$ 28,170,453	\$ 1,100,455	\$ 11,485,493	\$ 5,119,512	\$ 406,412,797	\$ 398,616,332
(23) Services, contracts and supplies	\$ 4,396,405	\$ 42,713,292	\$ 22,714,818	\$ 21,260,935	\$ 3,193,379	\$ 2,734,991	\$ 97,013,820	\$ 102,819,791
(24) Amortization of supported tangible capital assets	\$ -	\$ 531,918	\$ 13,781,619	\$ -	\$ -	\$ -	\$ 14,313,537	\$ 13,022,171
(25) Amortization of unsupported tangible capital assets	\$ -	\$ 1,284,578	\$ 1,564,442	\$ -	\$ 297,348	\$ -	\$ 3,146,368	\$ 3,702,017
(26) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Unsupported interest on capital debt	\$ -	\$ -	\$ 449,777	\$ -	\$ -	\$ -	\$ 449,777	\$ 459,368
(28) Other interest and finance charges	\$ -	\$ -	\$ -	\$ -	\$ 17,950	\$ -	\$ 17,950	\$ 31,758
(29) Losses on disposal of tangible capital assets	\$ -	\$ 78,422	\$ -	\$ -	\$ -	\$ -	\$ 78,422	\$ 8,495
(30) Other expense	\$ -	\$ 8,400	\$ 48,209	\$ -	\$ -	\$ -	\$ 56,609	\$ 10,995
(31) TOTAL EXPENSES	\$ 53,009,347	\$ 356,540,552	\$ 66,729,318	\$ 22,361,390	\$ 14,994,170	\$ 7,854,503	\$ 521,489,280	\$ 518,670,927
(32) OPERATING SURPLUS (DEFICIT)	\$ 379,203	\$ 10,093,524	\$ (5,135,539)	\$ (996,488)	\$ -	\$ 334,881	\$ 4,675,581	\$ (3,975,210)

SCHEDULE OF PLANT OPERATIONS AND MAINTENANCE
for the Year Ended August 31, 2019 (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	2019 TOTAL Operations and Maintenance	2018 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 14,550,819	\$ 6,117,974	\$ -	\$ -	\$ 2,069,984			\$ 22,738,777	\$ 22,079,350
Uncertificated benefits	\$ 3,531,401	\$ 1,359,353	\$ -	\$ -	\$ 540,922			\$ 5,431,676	\$ 5,810,684
Sub-total Remuneration	\$ 18,082,220	\$ 7,477,327	\$ -	\$ -	\$ 2,610,906			\$ 28,170,453	\$ 27,890,034
Supplies and services	\$ 1,006,220	\$ 1,889,036	\$ -	\$ 8,493,985	\$ 1,536,916			\$ 12,926,157	\$ 13,932,324
Electricity			\$ 4,511,339					\$ 4,511,339	\$ 4,411,290
Natural gas/heating fuel			\$ 2,217,372					\$ 2,217,372	\$ 2,200,621
Sewer and water			\$ 1,019,920					\$ 1,019,920	\$ 973,476
Telecommunications			\$ 361,556					\$ 361,556	\$ 385,649
Insurance					\$ 1,179,187			\$ 1,179,187	\$ 1,192,362
ASAP maintenance & renewal payments							\$ 547,496	\$ 547,496	\$ 609,764
Amortization of tangible capital assets									
Supported							\$ 13,781,619	\$ 13,781,619	\$ 12,344,903
Unsupported						\$ 1,564,442		\$ 1,564,442	\$ 1,376,126
Total Amortization						\$ 1,564,442	\$ 13,781,619	\$ 15,346,061	\$ 13,721,029
Interest on capital debt									
Supported							\$ -	\$ -	\$ -
Unsupported						\$ 449,777		\$ 449,777	\$ 459,368
Lease payments for facilities				\$ -				\$ -	\$ -
Other interest charges						\$ -		\$ -	\$ -
Losses on disposal of capital assets						\$ -		\$ -	\$ 8,495
TOTAL EXPENSES	\$ 19,088,440	\$ 9,366,363	\$ 8,110,187	\$ 8,493,985	\$ 5,327,009	\$ 2,014,219	\$ 14,329,115	\$ 66,729,318	\$ 65,784,412

SQUARE METRES									
School buildings								494,936.0	493,112.0
Non school buildings								31,392.0	35,581.0

Note:

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

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

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

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

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

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

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

**SCHEDULE OF CASH, CASH EQUIVALENTS, AND PORTFOLIO INVESTMENTS
for the Year Ended August 31, 2019 (in dollars)**

Cash & Cash Equivalents	2019			2018
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		\$ 34,135,776	\$ 34,135,776	\$ 64,011,006
Cash equivalents				
Government of Canada, direct and guaranteed	0.00%	-	-	-
Provincial, direct and guaranteed	0.00%	-	-	-
Corporate	0.00%	-	-	-
Other, including GIC's	0.00%	-	-	-
Total cash and cash equivalents	0.00%	\$ 34,135,776	\$ 34,135,776	\$ 64,011,006

See Note 3 for additional detail.

Portfolio Investments	2019			2018	
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Interest-bearing securities					
Deposits and short-term securities	0.00%	\$ -	\$ -	\$ -	\$ -
Bonds and mortgages	0.00%	-	-	-	-
	0.00%	-	-	-	-
Equities					
Canadian equities	0.00%	\$ -	\$ -	\$ -	\$ -
Global developed equities	0.00%	-	-	-	-
Emerging markets equities	0.00%	-	-	-	-
Private equities	0.00%	-	-	-	-
Pooled investment funds	0.00%	-	-	-	-
Total fixed income securities	0.00%	-	-	-	-
Other					
GIC's	1.70%	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ -
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Other (Specify)	0.00%	-	-	-	-
Total equities	1.70%	30,000,000	30,000,000	30,000,000	-
Total portfolio investments	1.70%	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ -

See Note 5 for additional detail.

	2019	2018
Portfolio investments		
Operating		
Cost	\$ 30,000,000	\$ -
Unrealized gains and losses	-	-
	<u>30,000,000</u>	<u>-</u>
Endowments		
Cost	\$ -	\$ -
Unrealized gains and losses	-	-
Deferred revenue	-	-
	<u>-</u>	<u>-</u>
Total portfolio investments	\$ 30,000,000	\$ -

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

	2019	2018
Under 1 year	100.0%	0.0%
1 to 5 years	0.0%	0.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>0.0%</u>

SCHEDULE 6

School Jurisdiction Code: 110

**SCHEDULE OF TANGIBLE CAPITAL ASSETS
for the Year Ended August 31, 2019 (in dollars)**

Tangible Capital Assets	2019						2018
	Land	Construction In Progress	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-50 Years	5-10 Years	5-10 Years	4-5 Years	
Historical cost							
Beginning of year	\$ 4,939,308	\$ 8,297,892	\$ 617,875,894	\$ 20,198,612	\$ 3,518,391	\$ 3,330,985	\$ 658,161,082
Prior period adjustments	-	-	-	-	-	-	-
Additions	-	20,858,400	18,379,143	597,164	178,714	973,689	40,987,110
Transfers in (out)	-	(11,123,420)	11,123,420	-	-	-	-
Less disposals including write-offs	-	-	(533,531)	(684,731)	(8,128)	(48,553)	(1,274,943)
Historical cost, August 31, 2019	\$ 4,939,308	\$ 18,032,872	\$ 646,844,926	\$ 20,111,045	\$ 3,688,977	\$ 4,256,121	\$ 697,873,249
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 198,649,381	\$ 15,551,135	\$ 1,929,191	\$ 2,624,137	\$ 218,753,844
Prior period adjustments	-	-	-	-	-	-	-
Amortization	-	-	15,067,367	1,818,102	349,180	225,256	17,459,905
Other additions	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	(533,529)	(606,309)	(8,117)	(48,553)	(1,196,508)
Accumulated amortization, August 31, 2019	\$ -	\$ -	\$ 213,183,219	\$ 16,762,928	\$ 2,270,254	\$ 2,800,840	\$ 235,017,241
Net Book Value at August 31, 2019	\$ 4,939,308	\$ 18,032,872	\$ 433,661,707	\$ 3,348,117	\$ 1,418,723	\$ 1,455,281	\$ 462,856,008
Net Book Value at August 31, 2018	\$ 4,939,308	\$ 8,297,892	\$ 419,226,513	\$ 4,647,477	\$ 1,589,200	\$ 706,848	\$ 439,407,238

	2019	2018
Total cost of assets under capital lease	\$ 12,033,205	\$ 11,805,742
Total amortization of assets under capital lease	\$ 273,857	\$ 236,115

Assets under capital lease includes buildings with a total cost of \$11,805,742 (2018 - \$11,805,742) and accumulated amortization of \$944,459 (2018 - \$708,345).

Included in additions to construction in progress and buildings is a total of \$8,237,538 related to costs incurred by Alberta Infrastructure on behalf of the Division for modernization of schools and installation of modular buildings.

SCHEDULE 7

School Jurisdiction Code: 110

**SCHEDULE OF REMUNERATION AND MONETARY INCENTIVES
for the Year Ended August 31, 2019 (in dollars)**

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other Paid	Other Accrued Unpaid Benefits (1)	Expenses
Laura Thibert - Chair (Ward 77)	1.00	\$55,226	\$7,394	\$6,000			\$1,700	\$5,468
Other members	-	\$0	\$0	\$0			\$0	\$0
Debbie Engel - Trustee (Ward 74)	1.00	\$42,453	\$6,845	\$6,000			\$1,700	\$7,167
Terence Harris - Trustee (Ward 71)	1.00	\$40,290	\$6,817	\$6,000			\$1,700	\$9,562
Alene Mutala - Trustee (Ward 75)	1.00	\$42,453	\$4,460	\$6,000			\$1,700	\$10,032
Sandra Palazzo-Vice Chair (Ward72)	1.00	\$46,696	\$7,076	\$6,000			\$1,700	\$4,487
Carla Smiley - Trustee (Ward 73)	1.00	\$42,453	\$6,881	\$6,000			\$1,700	\$8,704
Lisa Turchansky - Trustee (Ward 76)	1.00	\$42,453	\$6,881	\$6,000			\$1,700	\$1,904
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
	-	\$0	\$0	\$0			\$0	\$0
Subtotal	7.00	\$312,024	\$46,354	\$42,000			\$11,900	\$47,324
Joan Carr, Superintendent	1.00	\$260,000	\$30,610	\$6,000	\$0	\$0	\$31,852	\$4,254
James Grattan, Secretary/Treasurer	1.00	\$188,239	\$37,503	\$0	\$0	\$0	\$0	\$1,790
Andrea Klotz, Corporate Secretary	1.00	\$93,791	\$6,413	\$0	\$0	\$0	\$0	\$1,417
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated		\$221,310,954	\$48,659,732	\$0	\$0	\$0	\$0	\$0
School based	2,272.53							
Non-School based	69.90							
Non-certificated		\$109,570,733	\$25,331,492	\$0	\$0	\$0	\$473,200	
Instructional	996.97							
Plant Operations & Maintenance	323.05							
Transportation	10.60							
Other	467.13							
TOTALS	4,150.18	\$331,735,741	\$74,112,104	\$48,000	\$0	\$0	\$516,952	\$54,785

(1) Other Accrued Unpaid Benefits Include: Please describe Other Accrued Unpaid Benefits

Accrued unpaid benefits for the year ended August 31, 2019 includes retirement allowances of \$516,952 (2018 - \$938,927) recorded in employee future benefit liabilities (Note 8). Benefits include the Government of Alberta portion of the current service contribution to the Alberta Teachers Pension Fund on behalf of the Division. The amount included in benefits for the Superintendent is \$18,854 (2018 - \$19,530). Other benefits are comprised of premiums for dental, extended health, vision, extended disability, life insurance, Workers Compensation Board, Employment Insurance, Canada Pension Plan and Health Care Spending. Additional information on the above expenses are available on the Division's website.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

1. Authority and purpose

The Edmonton Catholic Separate School Division (the "Division") (formerly Edmonton Catholic Separate School District No. 7) delivers education programs under the authority of the *Education Act*, 2012, Chapter E-0.3.

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

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with the CICA Canadian Public Sector Accounting Standards (PSAS) and accounting policies consistent with those prescribed by Alberta Education for Alberta school divisions.

Budget information represents the original budget submitted to Alberta Education in May 2018, and does not reflect the amended budget, adjusted for identified circumstances relating to operating and program changes, submitted in November 2018. The Board of Trustees approved the original budget.

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.

Valuation of financial assets and liabilities

The Division's financial assets and liabilities are generally measured as follows:

<u>Financial Statement Component</u>	<u>Measurement</u>
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Portfolio investments	Fair value and amortized cost
Accounts payable and accrued liabilities	Cost
Debt	Amortized cost

Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Financial assets are the Division's financial claims on external organizations and individuals at the year-end.

- i) Cash and cash equivalents
Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term commitments rather than for investment purposes.
- ii) Accounts receivable
Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

- iii) Portfolio investments
Investments in Guaranteed Investment Certificates (GIC's) with original maturities of greater than three months are reported at cost or amortized cost. Detailed information regarding portfolio investments is disclosed in Schedule 5.

Liabilities

Liabilities are present obligations of the Division to external organizations and individuals arising from past transactions or events occurring before the year-end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

- i) Accounts payable and accrued liabilities
Accounts payable and accrued liabilities include unearned revenue collected from external organizations and individuals for which goods and services have yet to be provided.
- ii) Deferred contributions
Deferred contributions include contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200- Liabilities*. These contributions are recognized by the Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred contributions are recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred contributions also include contributions for capital expenditures, unexpended and expended:

- *Unexpended Deferred Capital Contributions*
Unexpended Deferred Capital Contributions represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200- Liabilities*.
 - *Expended Deferred Capital Contributions*
Expended Deferred Capital Contributions 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 the Division to use the asset in a prescribed manner over the life of the associated asset.
- iii) Employee future benefits
The Division provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

The Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans excluding pension benefits. Benefits primarily include retirement allowances. The benefits cost for certain groups of employees is actuarially determined using an accrued benefit method and using management's best estimate of expected termination rates, retirement rates and mortality. The discount rate used to measure obligations is based on investment bond rates.

The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service lifetime of active employees covered under the plan.

The most recent valuation of the obligation was performed at August 31, 2019. The next valuation will be performed at August 31, 2020.

iv) Liability for contaminated sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recognized net of any expected recoveries. A liability for remediation of contaminated sites normally results from an operation that is no longer in productive use and is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Division is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The Division has determined that there is no liability for contaminated sites as no such liabilities have been ascertained.

v) Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included on the Statement of Operations.

The Division has determined that there is no asset retirement obligation liability as the Division has no identifiable asset retirement obligations.

Non-financial assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- a) are normally employed to deliver Division services;
- b) may be consumed in the normal course of operations; and
- c) are not for sale in the normal course of operations.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

i) Tangible capital assets

Certain tangible capital assets, including new school construction and major renovations (except administrative buildings and replacement of equipment and vehicles), are funded by Alberta Education and Alberta Infrastructure when approved.

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.
- Buildings include land and site improvements as well as assets under capital lease.
- Construction-in-progress is recorded as an addition to buildings at the date of substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Contributions.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Division are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at present value of the minimum lease payments excluding executor costs (e.g. insurance, maintenance costs, etc.). The discount rate used to determine the present value of the lease payments is the lower of the Division's rate for incremental borrowing or the interest rate implicit in the lease. A schedule of repayments and amount of interest on the leases is provided in Note 9.
- Provincially funded Infrastructure Maintenance and Renewal (IMR) projects that improve or sustain the operating functionality of building components or land improvements and do not extend the useful life of the underlying asset are expensed when incurred.
- Tangible capital assets, including assets under capital lease, are amortized over their estimated useful lives on a straight-line basis, at the following rates:

- Buildings	2% to 5%
- Vehicles	10% to 20%
- Computer Hardware & Software	20% to 25%
- Equipment	10% to 20%

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

Construction-in-progress is not amortized. When construction-in-progress is transferred to buildings, amortization of the building commences once the building is in productive use.

- ii) Inventory of supplies
Inventory of supplies is valued at the lower of cost and replacement cost. Cost is determined using the average cost method.
- iii) Prepaid expenses
Prepaid expenses are amounts paid for goods and services which will provide economic benefits in one or more future periods. Prepaid expenses are recognized at cost and amortized based on the terms of the agreement or using a methodology that reflects use of the resource.

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 Changes in Accumulated Surplus.

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.

Eligibility criteria are criteria that the Division has to meet in order to receive certain contributions. *Stipulations* describe what the Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met.

Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *PSAS Section 3200- Liabilities*. Such liabilities are recorded as deferred contributions. The following items fall under this category:

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

Contributed services

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.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

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

- Alberta Teachers' Pension costs are allocated based on each program's proportional share of total certificated salaries. A matching amount is recorded in each program's revenue from Alberta Education.
- Supplies and services are allocated where applicable based on actual program identification.

Pensions

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

The current service and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the *Teachers' Pension Plan Act*, the Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers' Retirement Fund on behalf of the Division is included in both revenues (Alberta Education), and expenses (certificated benefits) in the financial statements.

For the year ended August 31, 2019, the amount contributed to the Alberta Teachers' Retirement Fund by the Province for the Division's certificated staff was \$24,060,626 (2018 - \$25,517,576).

The Division participates in the Local Authorities Pension Plan (LAPP), a multi-employer, defined benefit pension plan, and does not report on any unfunded liabilities. The expense recorded by the Division for this pension plan is the annual contributions of \$18,554,523 for the year ended August 31, 2019 (2018 - \$18,461,345).

At December 31, 2018, the LAPP reported a surplus of \$3,469,347,000 (2017 – surplus of \$4,835,515,000). Effective for year-ends starting in 2008 – 2009, the Government of Alberta has taken responsibility for the LAPP unfunded liabilities.

Program Reporting

The Division's operations have been segmented as follows:

- **ECS Instruction:** The provision of Early Childhood Services (ECS) education instructional services that fall under the basic public education mandate.
- **Grades 1 – 12 Instruction:** The provision of instructional services for grades 1 – 12 that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & System Administration:** The provision of board governance and system-based/central office administration.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

- **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-support, and Alberta Education funding may not be utilized to support these programs.

Revenues and expenses are reported by program on the Schedule of Program Operations. Respective instruction expenses include the cost of certificated teachers, non-certificated teaching assistants as well as, supplies and services, school administration and instruction support, and System Instructional Support.

Trusts under administration

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

Trusts under administration have been excluded from the financial reporting of the Division. Trust balances are disclosed in Note 14.

Funds collected by schools

Funds generated from school activities are included with the assets, liabilities, revenue and expenses of the Division as accountability and control of these funds rests with the Division.

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

Financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, accounts payable and accrued liabilities and debt. Unless otherwise noted, it is management's opinion that the Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

All the Division's 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.

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, rates for amortization and estimated employee future benefits.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

Change in accounting policy

The Division has prospectively adopted PS 3430 Restructuring Transactions from September 1, 2018. There was no impact on the financial statements ended August 31, 2019.

Future accounting changes

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

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**
This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.
- **PS 3450 Financial Instruments (effective April 1, 2021 as amended in March 2018)**
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 in the process of assessing the impact, if any, of these standards on the financial statements.

3. Cash and cash equivalents

Cash and cash equivalents include a \$200,000 (2018 - \$200,000) deposit in a share account at a Credit Union. Interest earned on this account for the year ended August 31, 2019 totaled \$7,000 (2018 - \$7,000) and is included in investment income.

4. Accounts receivable

	<u>2019</u>	<u>2018</u>
Alberta Education – Grants	\$ -	\$ 1,137,126
Alberta Infrastructure – Capital	8,128,950	11,090,608
Other Alberta school authorities	6,945	9,669
Alberta Health Services	36,700	-
City of Edmonton	11,128,893	11,238,288
Other	3,861,986	2,877,627
Allowance for doubtful accounts	-	-
	<u>\$ 23,163,474</u>	<u>\$ 26,353,318</u>

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

5. Bank indebtedness

The Division has a \$10,000,000 Canadian Dollar Demand Overdraft facility which bears interest at prime less 0.5%. The Division is subject to interest rate risk on outstanding balances as overdraft interest fluctuates with the prime interest rate. As at August 31, 2019 there was a \$nil balance outstanding (2018 - \$nil).

The Division has an active purchasing card facility in the amount of \$1,500,000 and as at August 31, 2019 there was a \$179,283 balance outstanding (2018 - \$nil).

6. Accounts payable and accrued liabilities

	<u>2019</u>	<u>2018</u>
Federal government	\$ -	\$ 4,998,254
Local Authorities Pension Plan	757,913	817,170
Accrued vacation paid liability	3,560,983	3,265,378
Unearned revenue	3,848,800	3,663,083
Alberta Education	11,661,768	12,625,124
Other trade payables and accrued liabilities	16,579,476	14,092,159
	<u>\$ 36,408,940</u>	<u>\$ 39,461,168</u>

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

7. Deferred Contributions

SOURCE AND GRANT OR FUND TYPE	DEFERRED CONTRIBUTIONS as at AUGUST 31, 2018	ADD: 2018/2019 Restricted Funds Received/ Receivable	DEDUCT: 2018/2019 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2018/2019 Adjustments for Returned Funds	DEFERRED CONTRIBUTIONS as at AUGUST 31, 2019
Unexpended deferred operating contributions					
Alberta Education:					
Action on Inclusion	\$ 71,358	\$ -	\$ -	\$ -	\$ 71,358
Innovations in First Nations Education	80,635	101,160	(112,923)	-	68,872
Career and Technology Studies – Bridging Program	36,000	50,000	(54,752)	-	31,248
Building Collaboration and Capacity in Education	121,885	-	-	(121,885)	-
Nutrition Pilot Program Grant	-	513,433	(513,433)	-	-
Early Learning Numeracy Research Grant	25,383	-	(25,383)	-	-
Autism Spectrum Grant – Research Partnerships Program	50,000	-	(12,008)	-	37,992
Dual Credit Programming	10,824	82,030	(92,854)	-	-
School Playgrounds	-	690,670	(240,670)	-	450,000
Indigenous (Cree) Language Instructional Resource Development	-	86,491	(6,874)	-	79,617
Infrastructure Maintenance and Renewal	8,984,451	11,924,474	(15,333,753)	-	5,575,172
Other Government of Alberta:					
Health Habits for Healthy Children – Alberta Health	516	-	(516)	-	-
Other Deferred Contributions:					
Donations	64,000	95,150	(95,594)	-	63,556
Other projects	99,231	1,110	(31,667)	-	68,674
Total unexpended deferred operating contributions	\$ 9,544,283	\$ 13,544,518	\$ (16,520,427)	\$ (121,885)	\$ 6,446,489
Unexpended deferred capital contributions (Schedule 2 & Note 12)	5,093,891	30,896,162	(30,881,535)	-	5,108,518
Expended deferred capital contributions (Schedule 2 & Note 12)	397,595,023	37,967,258	(14,313,537)	-	421,248,744
Total	\$ 412,233,197	\$ 82,407,938	\$ (61,715,499)	\$ (121,885)	\$ 432,803,751

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

8. Employee future benefit liabilities

	<u>2019</u>	<u>2018</u>
Retirement allowance	\$5,606,100	\$5,594,200
Other employee future benefits	147,586	147,586
	<u>\$5,753,686</u>	<u>\$5,741,786</u>

The Division provides retirement allowance plans to certain groups of active employees. These active employees are entitled to a retirement allowance based on the number of years of service at retirement or at termination or end of contract where applicable. The Division also participates in a non-registered Supplemental Executive Retirement Program ("SERP") for a certain member of senior administration. Funding is provided when the retirement allowances and SERP are paid and accordingly, there are no plan assets. However, the Division has provided for the payment of these benefits.

An actuarial valuation was performed as at August 31, 2019 for certain groups of employees which comprised of the majority of the retirement allowances. The amount of this valuation is included in the total of retirement allowances. The valuation and assumptions are as follows:

Accrued Benefit Obligation	<u>2019</u>	<u>2018</u>
Accrued benefit obligation – beginning of year	\$ 4,142,000	\$ 3,601,000
Current service costs	317,000	428,000
Interest cost	151,000	149,000
Benefits paid	(303,000)	(410,000)
Actuarial loss (gain)	300,000	374,000
Accrued benefit obligation – end of year	<u>\$ 4,607,000</u>	<u>\$ 4,142,000</u>
Accrued Benefit (Liability) Asset	<u>2019</u>	<u>2018</u>
Funded status – deficit	\$(4,607,000)	\$ (4,142,000)
Unamortized net actuarial loss (gain)	369,000	76,000
Accrued benefit liability	<u>\$(4,238,000)</u>	<u>\$ (4,066,000)</u>
Net Benefit Plan Cost	<u>2019</u>	<u>2018</u>
Current service cost (employer portion)	\$ 317,000	\$ 428,000
Interest cost	151,000	149,000
Amortization of net actuarial loss (gain)	7,000	(23,000)
Net benefit plan cost	<u>\$ 475,000</u>	<u>\$ 554,000</u>
Unamortized Net Actuarial (Loss) Gain	<u>2019</u>	<u>2018</u>
Balance – beginning of year	\$ (76,000)	\$ 321,000
Net actuarial (loss) gain, during the year	(300,000)	(374,000)
Amortization for current year	7,000	(23,000)
Balance – end of year	<u>\$ (369,000)</u>	<u>\$ (76,000)</u>
Continuity of Accrued Benefit (Liability) Asset	<u>2019</u>	<u>2018</u>
Balance – beginning of year	\$(4,066,000)	\$ (3,922,000)
Benefits paid	303,000	410,000
Net benefit plan cost	(475,000)	(554,000)
Balance – end of year	<u>\$(4,238,000)</u>	<u>\$ (4,066,000)</u>

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

Assumptions	<u>2019</u>	<u>2018</u>
Discount rate		
Beginning of year	3.5%	3.9%
End of year	2.5%	3.5%
Average remaining service period of active employees		
Beginning of year	11 years	14 years
End of year	10 years	11 years
Mortality	CPM14Publ w MI 2017	CPM14Publ w MI 2017
Termination	Varies by age	Varies by age
Retirement rate	LAPP ret rates	LAPP ret rates

9. Capital leases

The Division entered a 30-year lease commencing on September 1, 2014 with the City of Edmonton for the Cardinal Collins Academic Centre in northwest Edmonton. The lease has a bargain purchase option. The Division is responsible for the operating and maintenance costs of the facility.

Under the terms of the lease, the Division is obligated to make annual payments of \$692,376, including interest at an effective rate of 4.1%. The lease expires on August 31, 2044.

The Division also entered into various equipment leases with annual payments of \$45,492, including effective interest rates ranging from 4% - 5% and expiring from August 2023 to July 2024.

	<u>2019</u>	<u>2018</u>
Obligations under capital lease – building		
with a net book value of \$10,861,283	\$10,432,357	\$10,927,538
(2018 - \$11,097,397)		
Obligations under capital lease – equipment		
with a net book value of \$189,721 pledged as collateral	182,145	-
Total	<u>\$10,614,502</u>	<u>\$10,927,538</u>

Payments on the capital leases are due as follows:

	<u>Total</u>
2019-2020	\$ 737,868
2020-2021	737,868
2021-2022	737,868
2022-2023	737,868
2023-2024	692,376
2024 to maturity	13,155,136
Total payments	16,798,984
Less amount representing interest	(6,184,482)
	<u>\$ 10,614,502</u>

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

10. Prepaid expenses

	<u>2019</u>	<u>2018</u>
Licenses and Support	\$ 2,404,663	\$ 1,588,505
Lease – interest	439,792	-
Other	894,678	1,085,928
Total	<u>\$ 3,739,133</u>	<u>\$ 2,674,433</u>

11. Accumulated surplus

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus.

The Division's accumulated surplus is summarized as follows:

	<u>2019</u>	<u>2018</u>
Unrestricted surplus	\$ -	\$ -
Operating reserves	<u>23,426,127</u>	<u>19,725,432</u>
Accumulated surplus from operations	23,426,127	19,725,432
Investment in tangible capital assets	30,992,761	30,884,674
Capital reserves	<u>16,437,415</u>	<u>15,570,616</u>
Accumulated surplus (deficit)	<u>\$70,856,303</u>	<u>\$66,180,722</u>

The activity for Capital Reserves is as follows:

	<u>2019</u>	<u>2018</u>
Balance – beginning of year	\$15,570,616	\$ 16,143,528
Net proceeds for disposal of school properties	3,621,537	-
Change in funding for various school projects	400,845	1,241,191
Renovations and upgrades of schools	(2,928,080)	(819,286)
School projects – modulars	-	(972,320)
Renovation of non-school	<u>(227,503)</u>	<u>(22,497)</u>
Balance – end of year	<u>\$16,437,415</u>	<u>\$ 15,570,616</u>

The Board approves transfers to capital reserves to fund identified future capital expenditures of the Division. There were no transfers to capital reserves for the year (2018 - \$nil). The Board approved the transfer of \$3,155,583 (2018 - \$1,814,103) from capital reserves for various capital projects during the year.

During the year, alternative funding sources were identified for various school projects which were previously funded from capital reserves. This resulted in total of \$400,845 (2018 - \$1,241,191) that was returned to the capital reserves.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

12. Unexpended and expended deferred capital contributions

	2019		2018	
	Unexpended Capital	Expended Capital	Unexpended Capital	Expended Capital
Balances, beginning of year	\$5,093,891	\$397,595,023	\$ 5,381,372	\$386,026,089
Government grants	30,896,162	8,237,538	17,454,557	9,874,347
Interest earned	-	-	-	-
Expended on capital assets	(29,729,720)	29,729,720	(14,716,758)	14,716,758
Capital revenue recognized	(1,151,815)	(14,313,537)	(3,025,280)	(13,022,171)
Balances, end of year	<u>\$5,108,518</u>	<u>\$421,248,744</u>	<u>\$ 5,093,891</u>	<u>\$397,595,023</u>

Included in government grants and expended on tangible capital assets are contributions related to buildings totaling \$37,920,991 (2018 - \$23,181,020).

13. School generated funds – Unexpended

	2019	2018
Balance – beginning of year	\$ 610,951	\$ 685,492
Gross receipts		
Fees	2,219,221	1,855,310
Fundraising	424,593	396,589
Gifts and donations	3,797,905	4,009,631
Other sales and services	1,526,038	1,691,139
Total gross receipts	<u>7,967,757</u>	<u>7,952,669</u>
Total direct costs and use of funds	<u>7,907,348</u>	<u>8,027,210</u>
Balance – end of year	<u>\$ 671,360</u>	<u>\$ 610,951</u>

Total direct costs include cost of goods sold to raise funds. Unexpended school generated funds are included in unearned revenue in accounts payable and accrued liabilities (Note 6).

14. Trusts under administration

These balances represent mainly cash held in trust on behalf of the Regional Collaborative Service Delivery (RCSD), cash held to fund scholarships and cash held for the Deferred Salary Leave Plan. The RCSD was created so that school-aged children in Edmonton, in particular those with special needs, have access to culturally-responsive health and related support services they need to participate in their school programs and attain their potential. The Division was appointed banker for the RCSD and is responsible for distributing the cash in accordance with the wishes of the RCSD. These cash balances are not recorded on the statements of the Division.

	2019	2018
Regional Collaborative Service Delivery	\$2,943,414	\$1,527,626
Scholarships	159,092	166,184
Deferred Salary Leave Plan	981,820	895,150
Other	16,835	18,967
	<u>\$4,101,161</u>	<u>\$ 2,607,927</u>

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

15. Economic dependence on related third party

The Division's primary source of income is from the Alberta Government. The Division received allocations from Alberta Education, a related party. The Division's ability to continue viable operations is dependent on this funding. In the current year, \$418,227,402 or 79.5% (2018 - \$408,893,673 or 79.4%) of operating revenue was recognized from the Government of Alberta. Included in accounts receivable at August 31, 2019 was \$nil (2018 - \$1,137,126) related to this revenue (Note 4).

In the current year, \$66,914,401 or 12.7% (2018 - \$68,148,560 or 13.2%) of operating revenue was recognized from the City of Edmonton supplementary requisition of municipal taxes from Catholic rate payers. Included in accounts receivable at August 31, 2019 is \$11,128,893 (2018 - \$11,238,288) related to this revenue (Note 4).

16. Related party transactions

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

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

The Division is related to the Edmonton Catholic Schools Foundation by virtue of providing significant financial support and representation on the board of the Foundation.

The Foundation was established in 2013 with a mission to raise public awareness concerning the benefits of and to enhance the funding for Catholic education in the City of Edmonton. The Foundation was incorporated under the *Companies Act* of the Province of Alberta. Under the provisions of the *Income Tax Act*, the Foundation is exempt from income tax.

The Foundation is not a controlled entity and has not been consolidated with the Division's financial statements.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

The Division had the following related party transactions for the year ended August 31, 2019.

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenue	Expenses
Government of Alberta (GOA)				
Alberta Education				
Accounts receivable / Accounts payable	\$ -	\$ 11,661,768		
Prepaid expenses / Deferred operating revenue		13,448,258		
Expended deferred capital contributions		6,884,571	251,223	
Grant revenue & expenses			377,596,976	
ATRF payments made on behalf of Division			24,060,626	
Other Alberta school authorities	6,945	-	55,000	257,369
Alberta Health Services	36,700	-	388,859	777,004
Post-secondary institutions	-	-	-	253,845
Alberta Infrastructure	8,128,950	32,234,502	15,800,637	-
Other:				
Local Authorities Pension Plan		757,913		18,554,523
Edmonton Catholic Schools Foundation	-	-	389,351	250,000
TOTAL 2018/2019	\$ 8,172,595	\$ 64,987,012	\$ 418,542,672	\$ 20,092,741
TOTAL 2017/2018	\$ 12,237,403	\$ 41,058,679	\$ 477,481,825	\$ 20,043,356

During the year, capital allocations of \$34,811,285 (2018 - \$19,820,320) were received from Alberta Infrastructure.

Maintenance costs totaling \$547,496 (2018 - \$609,764) related to the three schools constructed under the Alberta Schools Alternative Procurement (ASAP) project were paid by Alberta Infrastructure and are recorded as an increase in revenue from Alberta Infrastructure and an increase in services, contracts and supplies expense included in plant operations and maintenance.

17. Contractual rights

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

	2019	2018
Contractual rights from operating leases *	\$ 5,891,346	\$ 3,361,836
Contractual rights from joint use agreement	300,000	300,000
Contractual rights from capital grant agreements **	64,118,392	84,702,327
Total	\$70,309,738	\$88,364,163

* Operating leases include \$619,808 (2018 - \$212,119) with an Other Government of Alberta Department.

** Capital grant agreements include \$58,118,392 (2018 - \$84,702,327) with an Other Government of Alberta Department.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

The estimated amounts that will be received or receivable under these agreements are as follows:

	<u>Operating Leases</u>	<u>Capital Grant Agreements</u>	<u>Joint Use Agreement</u>	<u>Total</u>
2019-2020	\$ 2,452,537	\$ 19,034,354	\$ 140,000	\$ 21,626,891
2020-2021	976,747	34,210,495	160,000	35,347,242
2021-2022	666,843	10,873,543	-	11,540,386
2022-2023	683,683	-	-	683,683
2023-2024	707,258	-	-	707,258
Thereafter	404,278	-	-	404,278
Total	<u>\$ 5,891,346</u>	<u>\$ 64,118,392</u>	<u>\$ 300,000</u>	<u>\$ 70,309,738</u>

The Joint Use Agreement is an arrangement between the City of Edmonton and various School Boards including the Division regarding the shared use of City facilities, sport fields and school facilities to maximize benefit to both students and citizens of the City of Edmonton.

18. Contractual obligations

The Division has commitments relating to various operating lease, service and construction contracts under which the Division will be required to make annual payments. The estimated minimum annual payments required under these agreements are as follows:

	<u>Services</u>	<u>Construction</u>	<u>Leases</u>	<u>Total</u>
2019-2020	\$ 18,738,479	\$ 35,506,192	\$ 563,693	\$ 54,808,364
2020-2021	18,792,877	8,885,957	463,467	\$ 28,142,301
2021-2022	19,156,246	-	-	\$ 19,156,246
2022-2023	143,276	-	-	\$ 143,276
2023-2024	10,499	-	-	\$ 10,499
Total	<u>\$ 56,841,377</u>	<u>\$ 44,392,149</u>	<u>\$ 1,027,160</u>	<u>\$ 102,260,686</u>

The Division made a commitment to the City of Edmonton regarding a sports facility ("the Facility") in west Edmonton. The Division will make an annual operating contribution to cover the operating costs of the Facility equal to 30% of the total usage of the Facility by the Division. The Division will provide additional operating contributions if the actual expenditures of the Facility exceeded the annual operation contributions and the Division will be reimbursed if the actual expenditures are less than the annual operating contributions. The Division also committed to 22% of the cost of major/life cycle maintenance of the Facility if there are insufficient funds in the Facility's reserve account. The reserve account is maintained by the City of Edmonton and funded from any surpluses from the Facility's operations. The agreement expires September 16, 2038.

The Division entered into an agreement for the purchase of electricity at a flat rate of 5.47 cents per kilowatt hour. This agreement expires December 31, 2019.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

19. Contingent liabilities

The Division is involved in various claims and litigation arising in the normal course of operations. While the outcomes of these matters are uncertain and there is no assurance that such matters will be resolved in the Division's favour, the Division does not currently believe that the disposition of claims presently outstanding will be significant to the overall financial position of the Division. Therefore, no provision for these claims and litigation has been included in these financial statements. None of these contingent liabilities involve related parties.

20. Statement of cash flows – supplemental disclosures

Supplemental cash flows are as follows:

	<u>2019</u>	<u>2018</u>
Interest paid		
Unsupported	<u>\$449,777</u>	<u>\$459,368</u>

21. Prior period reclassification adjustment

For the year ended August 31, 2018 the Division has reclassified balances related to prepaid expenses, deferred contributions and property taxes. These reclassifications are required to reflect Alberta Education's disclosure policy and were applied to the comparative figures.

In prior years, school supplies purchased before the close of the school year to be consumed or sold subsequent to the year-end were included in prepaid expenses. These supplies have been reclassified to inventory of supplies. For the August 31, 2018 year-end, the impact was an increase of \$1,301,923 in inventory of supplies and a decrease of \$1,301,923 in prepaid expenses. This reclassification had no effect on the excess of revenues over expenses for the year previously reported.

In prior years, fees received before the close of the school year for goods and services to be provided by the Division subsequent to year-end were included in deferred contributions. These funds have been reclassified to accounts payable and accrued liabilities. For the August 31, 2018 year-end, the impact was an increase of \$3,663,083 in accounts payable and accrued liabilities and a decrease of \$3,663,083 in deferred contributions. This reclassification had no effect on the excess of revenues over expenses for the year previously reported.

In prior years, revenue recognized from the City of Edmonton supplementary requisition of municipal taxes from Catholic rate payers was included in the funding from Alberta Education. These municipal taxes have been reclassified to property taxes on the statement of operations. For the August 31, 2018 year-end, the impact was an increase of \$68,148,560 in property taxes and a decrease of \$68,148,560 in Government of Alberta revenues. This reclassification had no effect on the excess of revenues over expenses for the year previously reported.

The Edmonton Catholic Separate School Division

Notes to the Financial Statements

August 31, 2019

	2018 As Previously Reported	Reclassification	2018 Restated
Inventory of supplies	\$ 796,493	\$ 1,301,923	\$ 2,098,416
Prepaid expenses	3,976,356	(1,301,923)	2,674,433
Accounts payable and accrued liabilities	35,798,085	3,663,083	39,461,168
Deferred contributions	415,896,280	(3,663,083)	412,233,197
Property taxes	-	68,148,560	68,148,560
Government of Alberta	477,152,233	(68,148,560)	409,003,673

SCHEDULE 8

**UNAUDITED SCHEDULE OF FEES
for the Year Ending August 31, 2019 (in dollars)**

	Actual Fees Collected 2017/2018	Budgeted Fee Revenue 2018/2019	(A) Actual Fees Collected 2018/2019	(B) Unexpended September 1, 2018*	(C) Funds Raised to Defray Fees 2018/2019	(D) Expenditures 2018/2019	(A) + (B) + (C) - (D) Unexpended Balance at August 31, 2019*
Transportation Fees	\$4,253,075	\$4,437,000	\$4,240,315	\$0	\$0	\$4,240,315	\$0
Basic Instruction Fees							
Basic instruction supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fees to Enhance Basic Instruction							
Technology user fees	\$1,477,613	\$1,476,000	\$1,495,889	\$0	\$0	\$1,495,889	\$0
Alternative program fees	\$2,519,480	\$2,646,000	\$2,211,093	\$0	\$0	\$2,211,093	\$0
Fees for optional courses	\$1,380,443	\$1,381,000	\$1,514,422	\$0	\$0	\$1,514,422	\$0
Activity fees	\$1,062,870	\$1,000,000	\$1,257,765	\$0	\$0	\$1,257,765	\$0
Early childhood services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other fees to enhance education	\$117,525	\$81,000	\$153,175	\$0	\$0	\$153,175	\$0
Non-Curricular fees							
Extracurricular fees	\$2,218,541	\$2,142,000	\$2,371,138	\$0	\$0	\$2,371,138	\$0
Non-curricular travel	\$940,498	\$932,000	\$1,250,576	\$0	\$0	\$1,250,576	\$0
Lunch supervision and noon hour activity fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-curricular goods and services	\$677,102	\$735,000	\$644,631	\$0	\$0	\$644,631	\$0
Other Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL FEES	\$14,647,147	\$14,830,000	\$15,139,004	\$0	\$0	\$15,139,004	\$0

*Unexpended balances cannot be less than \$0

Please disclose amounts paid by parents of students that are recorded as "Other sales and services", "Fundraising", or "Other revenue" (rather than fee revenue):	Actual 2019	Actual 2018
Cafeteria sales, hot lunch, milk programs	\$348,307	\$382,906
Special events, graduation, tickets	\$981,169	\$932,026
International and out of province student revenue	\$1,691,029	\$1,268,152
Sales or rentals of other supplies/services (clothing, agendas, yearbooks)	\$1,037,060	\$1,149,354
Adult education revenue	\$0	\$0
Preschool	\$176,313	\$283,658
Child care & before and after school care	\$0	\$0
Lost item replacement fee	\$67,741	\$72,236
Lost item replacement	\$0	\$0
Other (Describe)	\$0	\$0
Other (Describe)	\$0	\$0
TOTAL	\$4,301,619	\$4,088,332

UNAUDITED SCHEDULE OF DIFFERENTIAL FUNDING for the Year Ended August 31, 2019 (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	3,295	1,426	8,240		
Federally Funded Students	188				
REVENUES					
Alberta Education allocated funding	\$ 3,730,454	\$ 32,043,238	\$ 10,636,181	\$ 27,334,036	\$ -
Other funding allocated by the board to the program	\$ 916,852	\$ -	\$ 1,279,342	\$ 21,735,046	\$ -
TOTAL REVENUES	\$ 4,647,306	\$ 32,043,238	\$ 11,915,523	\$ 49,069,082	\$ -
EXPENSES (Not allocated from BASE, Transportation, or other funding)					
Instructional certificated salaries & benefits	\$ 1,436,172	\$ 2,326,862	\$ 8,940,836	\$ 13,399,635	
Instructional non-certificated salaries & benefits	\$ 2,715,957	\$ 26,696,781	\$ 2,214,534	\$ 33,141,216	
SUB TOTAL	\$ 4,152,129	\$ 29,023,643	\$ 11,155,370	\$ 46,540,851	
Supplies, contracts and services	\$ 761,442	\$ 2,163,457	\$ 915,428	\$ 2,118,734	
Program planning, monitoring & evaluation	\$ 26,737	\$ 92,034	\$ 11,142	\$ -	
Facilities (required specifically for program area)	\$ -	\$ -	\$ -	\$ -	
Administration (administrative salaries & services)	\$ -	\$ 758,490	\$ -	\$ 204,435	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
Other (please describe)	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENSES	\$ 4,940,308	\$ 32,037,624	\$ 12,081,940	\$ 48,864,020	
NET FUNDING SURPLUS (SHORTFALL)	\$ (293,002)	\$ 5,614	\$ (166,417)	\$ 205,062	

SCHEDULE 10

UNAUDITED SCHEDULE OF CENTRAL ADMINISTRATION EXPENSES for the Year Ended August 31, 2019 (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	\$ 1,028,293	\$ 311,992	\$ -	\$ 1,340,285	\$ -	\$ -	\$ -	\$ 1,340,285
Educational administration (excluding superintendent)	\$ 1,200,134	\$ 102,843	\$ -	\$ 1,302,977	\$ -	\$ -	\$ -	\$ 1,302,977
Business administration	\$ 2,600,661	\$ 408,242	\$ -	\$ 3,008,903	\$ -	\$ -	\$ -	\$ 3,008,903
Board governance (Board of Trustees)	\$ 589,290	\$ 1,060,196	\$ -	\$ 1,649,486	\$ -	\$ -	\$ -	\$ 1,649,486
Information technology	\$ 838,759	\$ 50,465	\$ -	\$ 889,224	\$ -	\$ -	\$ -	\$ 889,224
Human resources	\$ 2,499,151	\$ 1,006,292	\$ -	\$ 3,505,443	\$ -	\$ -	\$ -	\$ 3,505,443
Central purchasing, communications, marketing	\$ 1,496,628	\$ 219,946	\$ -	\$ 1,716,574	\$ -	\$ -	\$ -	\$ 1,716,574
Payroll	\$ 1,232,577	\$ 33,403	\$ -	\$ 1,265,980	\$ -	\$ -	\$ -	\$ 1,265,980
Administration - insurance			\$ -	\$ -			\$ -	\$ -
Administration - amortization			\$ 297,348	\$ 297,348			\$ -	\$ 297,348
Administration - other (admin building, interest)			\$ 17,950	\$ 17,950			\$ -	\$ 17,950
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other (describe)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENSES	\$ 11,485,493	\$ 3,193,379	\$ 315,298	\$ 14,994,170	\$ -	\$ -	\$ -	\$ 14,994,170

SCHEDULE 11

Average Estimated # of Students Served Per Meal: 1,051.00

**UNAUDITED SCHEDULE OF NUTRITION PROGRAM EXPENDITURES
for the Year Ending August 31, 2019**

	Budget 2019	2019
REVENUES		
Alberta Education - current	\$ 513,433	\$ 513,433
Alberta Education - prior year	\$ -	\$ -
Other Funding	\$ -	\$ -
TOTAL REVENUES	\$ 513,433	\$ 513,433
EXPENSES		
Salaries & Benefits		
Meal Supervisor/Cook/support Worker	\$ 54,273	\$ 45,036
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Subtotal: Salaries & Benefits	\$ 54,273	\$ 45,036
Food Supplies \$2/meal x 55 Students x 183 days	\$ 426,687	\$ 442,664
Small Kitchenware		
Measuring cups & measuring spoons	\$ -	\$ -
Plates, bowls & cups	\$ 2,500	\$ 2,625
Utensils	\$ 2,500	\$ -
Other (please describe)	\$ -	\$ -
Other (please describe)	\$ -	\$ -
Subtotal: Small Kitchenware	\$ 5,000	\$ 2,625
Non-Capitalized Assets		
Microwave	\$ -	\$ -
Refrigerator	\$ -	\$ -
Toaster	\$ -	\$ -
Stove	\$ -	\$ -
Tables	\$ 433	\$ 762
Dishwasher	\$ 16,000	\$ 18,205
Carts to move food	\$ -	\$ -
Garden tower	\$ -	\$ -
Salad bar	\$ -	\$ -
Other (Blender, water dispenser, delivery)	\$ -	\$ -
Subtotal: Non-capitalized Assets	\$ 16,433	\$ 18,967
Training (e.g. food safety training, food prep courses, workshops, training materials)	\$ -	\$ -
Contracted Services (please describe)		
Vendor / Company	\$ -	\$ -
Food Delivery	\$ -	\$ -
Vendor Profit	\$ -	\$ -
Subtotal: Contracted Services	\$ -	\$ -
Other Expenses		
Kitchen aprons	\$ 3,836	\$ 1,725
Family / Nutritional education nights	\$ -	\$ -
Cleaning and sanitation supplies	\$ 6,204	\$ 2,416
Travel & accommodation for Cohort B meetings	\$ 1,000	\$ -
Other (please describe)	\$ -	\$ -
Subtotal: Other Expenses	\$ 11,040	\$ 4,141
TOTAL EXPENSES	\$ 513,433	\$ 513,433
ANNUAL SURPLUS/DEFICIT	\$ -	\$ (0)