

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

Wolf Creek School Division No.72

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Wolf Creek School Division No.72 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR

Trudy Bratland
Name


Signature

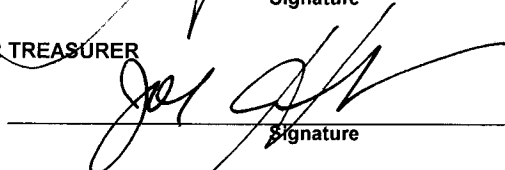
SUPERINTENDENT

Larry Jacobs
Name


Signature

SECRETARY-TREASURER OR TREASURER

Joseph Henderson
Name


Signature

November 25, 2014
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Wolf Creek School Division No. 72

We have audited the accompanying financial statements of Wolf Creek School Division No. 72, which comprise of the statements of financial position as at August 31, 2014, and the statements of operations, changes in net financial assets and cash flows 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 controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Wolf Creek School Division No. 72 as at August 31, 2014 and the results of its operations, change in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Ponoka, Alberta
November 25, 2014**

**ROWLAND, PARKER & ASSOCIATES LLP
Chartered Accountants**

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

		2014	2013
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 6,195,582	\$ 4,857,946
Accounts receivable (net after allowances)	(Note 4)	\$ 1,719,525	\$ 1,863,613
Portfolio investments	(Note 5)	\$ 6,116,625	\$ 10,946,442
Other financial assets	(Note 6)	\$ 4,495	\$ 5,761
Total financial assets		\$ 14,036,227	\$ 17,673,762
LIABILITIES			
Bank indebtedness		\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 3,651,727	\$ 2,073,518
Deferred revenue	(Note 8)	\$ 61,722,910	\$ 56,098,685
Employee future benefit liabilities		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt	(Note 9)		
Supported: Debentures and other supported debt		\$ 599,615	\$ 894,485
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 65,974,252	\$ 59,066,688
Net financial assets (debt)		\$ (51,938,025)	\$ (41,392,926)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 10)		
Land		\$ 656,711	\$ 656,711
Construction in progress		\$ 13,408,279	\$ 2,674,890
Buildings	\$ 97,767,057		
Less: Accumulated amortization	\$ (47,952,215)	\$ 49,814,842	\$ 52,302,334
Equipment	\$ 1,989,614		
Less: Accumulated amortization	\$ (1,645,564)	\$ 344,050	\$ 298,621
Vehicles	\$ 10,993,406		
Less: Accumulated amortization	\$ (7,021,186)	\$ 3,972,220	\$ 3,333,135
Computer Equipment	\$ 681,784		
Less: Accumulated amortization	\$ (481,867)	\$ 199,917	\$ 95,954
Total tangible capital assets		\$ 68,396,019	\$ 59,361,645
Prepaid expenses		\$ 203,973	\$ 585,046
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 68,599,992	\$ 59,946,691
Accumulated surplus	(Note 11)	\$ 16,661,967	\$ 18,553,765
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 16,661,967	\$ 18,553,765
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 16,661,967	\$ 18,553,765
Contractual obligations	(Note 12)		
Contingent liabilities	(Note 13)		

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

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

	Budget 2014	Actual 2014	Actual 2013
REVENUES			
Alberta Education	\$ 76,239,995	\$ 78,459,663	\$ 78,124,456
Other - Government of Alberta	\$ 441,933	\$ 489,583	\$ 463,524
Federal Government and First Nations	\$ 2,632,940	\$ 2,711,049	\$ 2,878,251
Other Alberta school authorities	\$ -	\$ 157,341	\$ 128,119
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 18)	\$ 1,891,795	\$ 1,841,400	\$ 1,904,993
Other sales and services	\$ 1,015,030	\$ 1,415,730	\$ 1,161,033
Investment income	\$ 176,551	\$ 231,974	\$ 190,206
Gifts and donations	\$ 37,100	\$ 140,541	\$ 201,098
Rental of facilities	\$ 19,046	\$ 14,774	\$ 33,367
Fundraising	\$ 743,450	\$ 639,629	\$ 886,002
Gains on disposal of capital assets	\$ -	\$ 38,008	\$ 12,400
Other revenue	\$ -	\$ 1,114	\$ -
Total revenues	\$ 83,197,840	\$ 86,140,806	\$ 85,983,449
EXPENSES			
Instruction (ECS - Grade 12)	\$ 65,629,236	\$ 68,777,388	\$ 67,529,703
Plant operations and maintenance	\$ 10,755,908	\$ 10,649,822	\$ 9,931,066
Transportation	\$ 5,276,768	\$ 5,436,229	\$ 5,105,226
Board & system administration	\$ 3,164,101	\$ 3,169,165	\$ 3,109,769
External services	\$ -	\$ -	\$ -
Total expenses	\$ 84,826,013	\$ 88,032,604	\$ 85,675,764
Operating surplus (deficit)	\$ (1,628,173)	\$ (1,891,798)	\$ 307,685

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

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

	2014	2013 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (1,891,798)	\$ 307,685
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 3,634,554	\$ 3,409,956
Gains on disposal of tangible capital assets	\$ (38,008)	\$ (12,400)
Losses on disposal of tangible capital assets	\$ -	\$ 39,708
Expended deferred capital revenue recognition	\$ (2,787,912)	\$ (2,539,929)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 144,088	\$ 711,810
Prepays	\$ 381,073	\$ 166,174
Other financial assets	\$ 1,266	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ 1,578,209	\$ (208,725)
Deferred revenue (excluding EDCR)	\$ 8,412,137	\$ 1,600,184
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 9,433,609	\$ 3,474,463
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (11,119,679)	\$ (2,506,125)
Equipment	\$ (119,324)	\$ (102,715)
Vehicles	\$ (1,331,242)	\$ (646,523)
Computer equipment	\$ (147,794)	\$ (63,707)
Net proceeds from disposal of unsupported capital assets	\$ 87,119	\$ 62,855
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (12,630,920)	\$ (3,256,215)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ 4,829,817	\$ 1,812,101
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ 4,829,817	\$ 1,812,101
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (294,870)	\$ (309,161)
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (294,870)	\$ (309,161)
Increase (decrease) in cash and cash equivalents	\$ 1,337,636	\$ 1,721,188
Cash and cash equivalents, at beginning of year	\$ 4,857,946	\$ 3,136,758
Cash and cash equivalents, at end of year	\$ 6,195,582	\$ 4,857,946

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

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

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ (1,628,173)	\$ (1,891,798)	\$ 307,685
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (12,494,792)	\$ (12,718,039)	\$ (3,319,070)
Amortization of tangible capital assets	\$ 3,962,889	\$ 3,634,554	\$ 3,409,956
Net carrying value of tangible capital assets disposed of	\$ -	\$ 49,111	\$ 90,163
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (8,531,903)	\$ (9,034,374)	\$ 181,049
Changes in:			
Prepaid expenses	\$ -	\$ 381,073	\$ 166,174
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)			
Endowments	\$ -	\$ -	\$ -
Decrease (increase) in net debt	\$ (10,160,076)	\$ (10,545,099)	\$ 654,908
Net debt at beginning of year	\$ (41,392,926)	\$ (41,392,926)	\$ (42,047,834)
Net debt at end of year	\$ (51,553,002)	\$ (51,938,025)	\$ (41,392,926)

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

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

	2014	2013
Accumulated remeasurement gains (losses) at beginning of year	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Amounts reclassified to the statement of operations:		
Portfolio investments	\$ -	\$ -
Other	\$ -	\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -
Accumulated remeasurement gains (losses) at end of year	\$ -	\$ -

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2013	\$ 18,553,765	\$ -	\$ 18,553,765	\$ 6,828,439	\$ 197,805	\$ 412,366	\$ 7,977,995	\$ 3,137,160
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 18,553,765	\$ -	\$ 18,553,765	\$ 6,828,439	\$ 197,805	\$ 412,366	\$ 7,977,995	\$ 3,137,160
Operating surplus (deficit)	\$ (1,891,798)		\$ (1,891,798)			\$ (1,891,798)		
Board funded tangible capital asset additions				\$ 2,011,958		\$ -	\$ (248,939)	\$ (1,763,019)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ (49,111)		\$ (38,008)		\$ 87,119
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (3,634,554)		\$ 3,634,554		
Capital revenue recognized	\$ -			\$ 2,787,912		\$ (2,787,912)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	
Net transfers to operating reserves	\$ -					\$ (1,091,575)	\$ 1,091,575	
Net transfers from operating reserves	\$ -					\$ 2,738,346	\$ (2,738,346)	
Net transfers to capital reserves	\$ -					\$ (658,506)		\$ 658,506
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 16,661,967	\$ -	\$ 16,661,967	\$ 7,944,644	\$ 197,805	\$ 317,467	\$ 6,082,285	\$ 2,119,766

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2014 (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2013	\$ 5,500,906	\$ 35,847	\$ 846,859	\$ 846,889	\$ 871,815	\$ 459,929	\$ 758,415	\$ 1,794,495	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 5,500,906	\$ 35,847	\$ 846,859	\$ 846,889	\$ 871,815	\$ 459,929	\$ 758,415	\$ 1,794,495	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ (101,145)	\$ -	\$ -	\$ (488,822)	\$ (147,794)	\$ -	\$ -	\$ (1,274,197)	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ 58,970		\$ -		\$ 28,149		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ 279,662		\$ 125,258		\$ 81,852		\$ 604,803		\$ -	
Net transfers from operating reserves	\$ (1,218,083)		\$ (345,913)		\$ (343,284)		\$ (831,066)		\$ -	
Net transfers to capital reserves		\$ -		\$ -		\$ 81,852		\$ 576,654		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 4,461,340	\$ 35,847	\$ 626,204	\$ 417,037	\$ 462,589	\$ 541,781	\$ 532,152	\$ 1,125,101	\$ -	\$ -

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2014 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2013	\$ 2,404,651	\$ 236,767	\$ 8,757	\$ -	\$ 52,341,849
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ 2,404,651	\$ 236,767	\$ 8,757	\$ -	\$ 52,341,849
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 7,950,606				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ 13,318	\$ -	\$ -	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (10,700,318)	\$ -	\$ -	\$ -	\$ 10,700,318
Surplus funds approved for future project(s)	\$ 236,767	\$ (236,767)			
Other adjustments (Explain):		\$ -	\$ -	\$ -	
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain):	\$ (215,957)	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 2,787,912
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ 120,981	\$ -	\$ 8,757	\$ -	\$ 60,254,255
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)				\$ 129,738	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

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

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

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

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2014 (in dollars)

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 60,878,563	\$ 9,737,600	\$ 4,936,154	\$ 2,907,346	\$ -	\$ 78,459,663	\$ 78,124,456
(2) Other - Government of Alberta	\$ 414,313	\$ 75,270	\$ -	\$ -	\$ -	\$ 489,583	\$ 463,524
(3) Federal Government and First Nations	\$ 2,433,261	\$ 277,788	\$ -	\$ -	\$ -	\$ 2,711,049	\$ 2,878,251
(4) Other Alberta school authorities	\$ 29,765	\$ -	\$ 127,576	\$ -	\$ -	\$ 157,341	\$ 128,119
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 1,728,577		\$ 112,823		\$ -	\$ 1,841,400	\$ 1,904,993
(9) Other sales and services	\$ 1,230,167	\$ 175,702	\$ 4,917	\$ 4,944	\$ -	\$ 1,415,730	\$ 1,161,033
(10) Investment income	\$ 202,506	\$ 26,510	\$ 347	\$ 2,611	\$ -	\$ 231,974	\$ 190,206
(11) Gifts and donations	\$ 135,741	\$ 300	\$ -	\$ 4,500	\$ -	\$ 140,541	\$ 201,098
(12) Rental of facilities	\$ 14,724	\$ -	\$ -	\$ 50	\$ -	\$ 14,774	\$ 33,367
(13) Fundraising	\$ 639,629	\$ -	\$ -	\$ -	\$ -	\$ 639,629	\$ 886,002
(14) Gains on disposal of tangible capital assets	\$ -	\$ 9,859	\$ 28,149	\$ -	\$ -	\$ 38,008	\$ 12,400
(15) Other revenue	\$ -	\$ -	\$ -	\$ 1,114	\$ -	\$ 1,114	\$ -
(16) TOTAL REVENUES	\$ 67,707,246	\$ 10,303,029	\$ 5,209,966	\$ 2,920,565	\$ -	\$ 86,140,806	\$ 85,983,449
EXPENSES							
(17) Certificated salaries	\$ 38,353,886			\$ 652,308	\$ -	\$ 39,006,194	\$ 39,018,376
(18) Certificated benefits	\$ 9,077,376			\$ 47,193	\$ -	\$ 9,124,569	\$ 8,066,549
(19) Non-certificated salaries and wages	\$ 9,493,872	\$ 2,914,819	\$ 2,372,805	\$ 1,076,115	\$ -	\$ 15,857,611	\$ 16,169,428
(20) Non-certificated benefits	\$ 2,734,182	\$ 786,726	\$ 437,791	\$ 270,166	\$ -	\$ 4,228,865	\$ 4,366,126
(21) SUB - TOTAL	\$ 59,659,316	\$ 3,701,545	\$ 2,810,596	\$ 2,045,782	\$ -	\$ 68,217,239	\$ 67,620,479
(22) Services, contracts and supplies	\$ 8,982,630	\$ 4,017,276	\$ 2,020,830	\$ 1,039,228	\$ -	\$ 16,059,964	\$ 14,470,799
(23) Amortization of supported tangible capital assets	\$ -	\$ 2,787,912	\$ -	\$ -	\$ -	\$ 2,787,912	\$ 2,539,929
(24) Amortization of unsupported tangible capital assets	\$ 92,168	\$ 67,819	\$ 604,803	\$ 81,852	\$ -	\$ 846,642	\$ 870,027
(25) Supported interest on capital debt	\$ -	\$ 75,270	\$ -	\$ -	\$ -	\$ 75,270	\$ 105,857
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ 42,268	\$ -	\$ -	\$ 2,303	\$ -	\$ 44,571	\$ 28,967
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,708
(29) Other expense	\$ 1,006	\$ -	\$ -	\$ -	\$ -	\$ 1,006	\$ -
(30) TOTAL EXPENSES	\$ 68,777,388	\$ 10,649,822	\$ 5,436,229	\$ 3,169,165	\$ -	\$ 88,032,604	\$ 85,675,766
(31) OPERATING SURPLUS (DEFICIT)	\$ (1,070,142)	\$ (346,793)	\$ (226,263)	\$ (248,600)	\$ -	\$ (1,891,798)	\$ 307,683

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,932,538	\$ 643,853	\$ -	\$ 40,072	\$ 298,356		\$ 2,914,819		\$ 2,914,819
Uncertificated benefits	\$ 539,817	\$ 164,788	\$ -	\$ 10,611	\$ 71,510		\$ 786,726		\$ 786,726
Sub-total Remuneration	\$ 2,472,355	\$ 808,641	\$ -	\$ 50,683	\$ 369,866		\$ 3,701,545		\$ 3,701,545
Supplies and services	\$ 342,060	\$ 973,221	\$ -	\$ 980,113	\$ 19,287		\$ 2,314,681		\$ 2,314,681
Electricity			\$ 774,851				\$ 774,851		\$ 774,851
Natural gas/heating fuel			\$ 500,849				\$ 500,849		\$ 500,849
Sewer and water			\$ 168,439				\$ 168,439		\$ 168,439
Telecommunications			\$ 12,539				\$ 12,539		\$ 12,539
Insurance					\$ 245,917		\$ 245,917		\$ 245,917
Amortization of tangible capital assets									
Supported								\$ 2,779,583	\$ 2,779,583
Unsupported						\$ 76,148	\$ 76,148		\$ 76,148
Total Amortization						\$ 76,148	\$ 76,148	\$ 2,779,583	\$ 2,855,731
Interest on capital debt									
Supported								\$ 75,270	\$ 75,270
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ -			\$ -		\$ -
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 2,814,415	\$ 1,781,862	\$ 1,456,678	\$ 1,030,796	\$ 635,070	\$ 76,148	\$ 7,794,969	\$ 2,854,853	\$ 10,649,822

SQUARE METRES									
School buildings									92,533.0
Non school buildings									7,150.0

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.

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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-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 School Division is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Cash and Cash Equivalents

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

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

The School Division has investments in GIC's that have no maturity dates or 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. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

Detailed information regarding portfolio investments is disclosed in Note 5.

d) Tangible Capital Assets

The following criteria applies:

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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the 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.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Division's rate for incremental borrowing or the interest rate implicit in the lease.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	25 - 40 years
Vehicles & Buses	5 - 10 years
Computer Hardware & Software	5 - 10 years
Other Equipment & Furnishings	3 - 5 years

i. Deferred Revenue

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

Deferred revenue also includes contributions for capital expenditures, unexpended and expended. Unexpended deferred capital revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the jurisdiction, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.

Expended deferred capital revenue 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 Division provides certain post-employment benefits including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

g) 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 School Division does not have an asset retirement obligation at yearend.

h) 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.

i) 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 Division has to meet in order to receive certain contributions. *Stipulations* describe what the School 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 that the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue.

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) 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.

k) 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, the Wolf Creek School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$5,101,309 (2013 \$3,995,887)

The school board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$1,443,809 for the year ended August 31, 2014 (2013 \$1,420,377). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 deficiency of \$4,977,303,000).

l) Program Reporting

The Division's operations have been segmented as follows:

- **ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Scholarship Endowment Funds

In the year of contributions to scholarship endowment funds, contributions represent a direct increase to accumulated surplus and must be held in perpetuity in accordance with the agreement of the donor. Provisions of the agreement require that 0% of the income is reinvested each year. The residual may be disbursed for the purposes of the scholarship.

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

n) Trusts Under Administration

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

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

o) 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, debt and other liabilities. 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.

p) Measurement Uncertainty

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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

3. CASH AND CASH EQUIVALENTS

	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	-	\$ 6,195,582	\$ 6,195,582	\$ 4,857,946
Total cash and cash equivalents		<u>\$ 6,195,582</u>	<u>\$ 6,195,582</u>	<u>\$ 4,857,946</u>

4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 41,981	\$ -	\$ 41,981	\$ 449,824
Other Alberta school jurisdictions	14,924	-	14,924	7,338
Treasury Board and Finance	599,615	-	599,615	894,485
Alberta Health Services	7,393	-	7,393	36,963
Federal government	301,490	-	301,490	108,083
Municipalities	227,451	-	227,451	-
First Nations	203,382	-	203,382	84,904
Other	323,289	-	323,289	282,016
Total	<u>\$1,719,525</u>	<u>\$ -</u>	<u>\$1,719,525</u>	<u>\$1,863,613</u>

5. PORTFOLIO INVESTMENTS

	2014				2013 Balance
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Guaranteed interest certificates	2.55%	6,116,625	6,116,625	6,116,625	10,946,442
Total portfolio investments	<u>2.55%</u>	<u>\$ 6,116,625</u>	<u>\$ 6,116,625</u>	<u>\$ 6,116,625</u>	<u>\$10,946,442</u>

6. OTHER FINANCIAL ASSETS

Other financial assets consists of the following:

	2014	2013
Other	\$ 4,495	\$ 5,761
Total	<u>\$ 4,495</u>	<u>\$ 5,761</u>

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Alberta Education	\$ 41,467	\$ 117,647
Federal government	1,485	100
First Nations	208,102	160,396
Other salaries & benefit costs	542,742	365,291
Other trade payables and accrued liabilities	2,857,931	1,430,084
Total	\$3,651,727	\$2,073,518

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid/ Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2014
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	555,254	1,377,333	(1,385,573)	-	547,014
Other Government of Alberta:					
Community Initiatives Program	-	51,000	-	-	51,000
Other Deferred Revenue:					
School Generated Funds	410,959	417,284	(410,959)	-	417,284
Fees	278,778	321,636	(278,778)	-	321,636
Alberta Municipalities	(149,944)	149,944	-	-	-
Other	11,614	1,983	(11,614)	-	1,983
Total unexpended deferred operating revenue	\$ 1,106,661	\$ 2,319,180	\$ (2,086,924)	\$ -	\$ 1,338,917
Unexpended deferred capital revenue	2,650,175	7,963,924	(10,484,361)	-	129,738
Expended deferred capital revenue	52,341,849	10,700,318	(2,787,912)	-	60,254,255
Total	\$ 56,098,685	\$ 20,983,422	\$ (15,359,197)	\$ -	\$ 61,722,910

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

9. DEBT

	2014	2013
Debentures outstanding at August 31, 2014 have interest rates between 7.625% to 12.0%. The terms of the loans range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 599,615	\$ 894,485
Total	\$ 599,615	\$ 894,485

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.625% and 12.0%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2014-2015	\$ 214,870	\$ 56,808	\$ 271,678
2015-2016	168,125	35,208	203,333
2016-2017	120,125	19,148	139,273
2017-2018	76,495	8,128	84,623
2018-2019	20,000	1,525	21,525
2019 to maturity	-	-	-
Total	\$ 599,615	\$ 120,817	\$ 720,432

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

10. TANGIBLE CAPITAL ASSETS

	August 31, 2014						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 656,711	\$ 2,674,888	\$ 97,380,769	\$ 1,870,290	\$ 9,920,878	\$ 533,990	\$113,037,526
Additions	-	11,051,312	68,367	119,324	1,331,242	147,794	12,718,039
Transfers in (out)	-	(317,921)	317,921	-	-	-	0
Less disposals including write-offs	-	-	-	-	(258,714)	-	(258,714)
	<u>\$ 656,711</u>	<u>\$ 13,408,279</u>	<u>\$ 97,767,057</u>	<u>\$ 1,989,614</u>	<u>\$ 10,993,406</u>	<u>\$ 681,784</u>	<u>\$125,496,851</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 45,078,434	\$ 1,571,669	\$ 6,587,742	\$ 438,036	\$ 53,675,881
Additions	-	-	2,873,781	73,895	643,046	43,831	3,634,553
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(209,602)	-	(209,602)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,952,215</u>	<u>\$ 1,645,564</u>	<u>\$ 7,021,186</u>	<u>\$ 481,867</u>	<u>\$ 57,100,832</u>
Net Book Value at End of Year	<u>\$ 656,711</u>	<u>\$ 13,408,279</u>	<u>\$ 49,814,842</u>	<u>\$ 344,050</u>	<u>\$ 3,972,220</u>	<u>\$ 199,917</u>	<u>\$ 68,396,019</u>

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

10. TANGIBLE CAPITAL ASSETS (Continued)

	August 31, 2013						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost							
Beginning of year	\$ 656,711	\$ 11,769,470	\$ 85,796,833	\$ 1,750,805	\$ 9,790,292	\$ 470,283	\$110,234,394
Additions	-	2,463,918	25,436	119,485	646,523	63,707	3,319,069
Transfers in (out)	-	(11,558,500)	11,558,500	-	-	-	-
Less disposals including w rite-offs	-	-	-	-	(515,937)	-	(515,937)
	<u>\$ 656,711</u>	<u>\$ 2,674,888</u>	<u>\$ 97,380,769</u>	<u>\$ 1,870,290</u>	<u>\$ 9,920,878</u>	<u>\$ 533,990</u>	<u>\$113,037,526</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 42,451,980	\$ 1,519,914	\$ 6,354,775	\$ 365,031	\$ 50,691,700
Additions	-	-	2,626,454	51,755	658,742	73,005	3,409,956
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including w rite-offs	-	-	-	-	(425,775)	-	(425,775)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,078,434</u>	<u>\$ 1,571,669</u>	<u>\$ 6,587,742</u>	<u>\$ 438,036</u>	<u>\$ 53,675,881</u>
Net Book Value at End of Year	<u>\$ 656,711</u>	<u>\$ 2,674,888</u>	<u>\$ 52,302,335</u>	<u>\$ 298,621</u>	<u>\$ 3,333,136</u>	<u>\$ 95,954</u>	<u>\$ 59,361,645</u>

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

11. ACCUMULATED SURPLUS

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

	2014	2013
Unrestricted surplus	\$ 317,467	\$ 412,367
Operating reserves	<u>6,082,285</u>	<u>7,977,994</u>
Accumulated surplus (deficit) from operations	6,399,752	8,390,361
Investment in tangible capital assets	7,944,644	6,828,439
Capital reserves	2,119,766	3,137,160
Endowments ⁽¹⁾	197,805	197,805
Accumulated rereasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 16,661,967</u>	<u>\$ 18,553,765</u>

Accumulated surplus from operations (ASO) include school generated funds of \$613,595. These funds are raised at school level and are not available to spend at board level. The school jurisdiction's adjusted surplus from operations is calculated as follows:

	2014	2013
Accumulated surplus from operations	\$ 317,467	\$ 412,367
Deduct: School generated funds included in accumulated surplus (Note 16)	<u>(613,595)</u>	<u>(512,200)</u>
Adjusted accumulated surplus from operations ⁽²⁾	<u>\$ (296,128)</u>	<u>\$ (99,833)</u>

⁽¹⁾ Terms of the endowments stipulate that the principal balance be maintained permanently. Investment income of \$4,261 (2013 \$3,966) is externally restricted for scholarships and is included in deferred revenue. Investment income of \$227,713 (2013 \$186,240) is unrestricted.

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

Wolf Creek School Division No. 72
Notes to the Financial Statements
August 31, 2014

12. CONTRACTUAL OBLIGATIONS

	2014	2013
Building Leases	103,698	127,198
Service Providers	1,413,905	1,396,514
Other	178,404	178,404
Total	\$ 1,696,007	\$ 1,702,116

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

	Building Leases	Service Providers	Other
2014-15	\$ 138,577	\$ 879,071	\$ 178,404
2015-16	88,177	86,650	178,404
2016-17	88,177	370,824	178,404
2017-18	88,177	-	-
2018-19	57,750	-	-
Thereafter	-	-	-
	\$ 460,858	\$ 1,336,545	\$ 535,212

13. CONTINGENT LIABILITIES

The school division is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims.

14. FEES

	2014	2013
Transportation fees ⁽¹⁾	\$ 112,823	\$ 113,743
Fees charged for instruction material and supplies ⁽²⁾	\$ 470,505	\$ 465,809
Fundraising fees	\$ 970,423	\$1,038,847
Course fees	\$ 247,763	\$ 244,997
Other fees	39,886	41,597

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

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

15. TRUSTS UNDER ADMINISTRATION

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

	2014	2013
Deferred salary leave plan	\$ 60,275	\$ 154,208
Scholarship trusts	160,145	155,192
Other trusts - fundraising	12,747	-
Total	\$ 233,167	\$ 309,400

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16. SCHOOL GENERATED FUNDS

	2014	2013
Deferred School Generated Revenue, Beginning of Year	\$ 923,159	\$ 837,280
Gross Receipts:		
Fees	578,256	768,055
Fundraising	686,610	881,585
Gifts and donations	194,413	295,866
Other sales and services	33,195	22,438
Total gross receipts	1,492,474	1,967,944
Total Related Expenses and Uses of Funds	1,062,626	1,492,019
Total Direct Costs Including Cost of Goods Sold to Raise Funds	322,128	390,046
Deferred School Generated Revenues, End of Year	<u>\$ 1,030,879</u>	<u>\$ 923,159</u>
Balance included in Deferred Revenue	\$ 417,284	\$ 410,959
Balance included in Accumulated Surplus	\$ 613,595	\$ 512,200

17. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 41,981	\$ 4,838	\$ -	\$ -
Prepaid expenses / Deferred revenue	-	598,014	-	-
Unexpended deferred capital revenue	-	129,738	-	-
Expended deferred capital revenue	-	60,254,255	2,787,912	2,787,912
Grant revenue & expenses	-	547,014	75,658,666	-
Other Alberta school jurisdictions		-		-
Treasury Board - Principal	599,615	599,615		
Treasury Board - Interest		41,467	75,270	75,270
Alberta Health Services	7,393		81,319	
Human Services			346,078	
Other:				
Alberta Pension Services Corporation	1,208			2,759,992
TOTAL 2013/2014	<u>\$ 650,197</u>	<u>\$ 62,174,941</u>	<u>\$78,949,245</u>	<u>\$5,623,174</u>
TOTAL 2012/2013	<u>\$1,388,610</u>	<u>\$ 56,559,410</u>	<u>\$78,587,980</u>	<u>\$2,665,086</u>

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18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

19. REMUNERATION AND MONETARY INCENTIVES

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair - Trudy Bratland	1.0	\$24,500	\$4,989	\$0			\$14,351
Other members							
Vice Chair - Robert Huff	1.0	\$19,000	\$4,808	\$0			\$7,765
Lorrie Jess	1.0	\$23,400	\$4,953	\$0			\$12,137
Karin Engen	0.1	\$2,800	\$784	\$0			\$842
Donna Peterson	1.0	\$21,450	\$4,325	\$0			\$10,424
Pamela Hansen	0.9	\$17,200	\$4,056				\$9,190
Barb Walker	1.0	\$19,600	\$4,828	\$0			\$10,021
Subtotal	6.0	\$127,950	\$28,743	\$0			\$64,730
Superintendent	1.0	\$187,721	\$28,707	\$0	\$0	\$0	\$9,664
Secretary/Treasurer	1.0	\$156,365	\$33,893	\$0	\$0	\$0	\$5,131
Certificated teachers	412.6	\$38,818,473	\$9,095,862	\$0	\$0	\$0	
Non-certificated - other	379.2	\$15,597,796	\$41,712,118	\$0	\$0	\$0	
TOTALS		\$54,888,305	\$50,899,323	\$0	\$0	\$0	

20. BUDGET AMOUNTS

The budget was prepared by the school division and approved by the Board of Trustees on May 31, 2013. It is presented for information purposes only and has not been audited.

21. COMPARATIVE FIGURES

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