

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

WOLF CREEK SCHOOL DIVISION NO.72

Legal Name of School Jurisdiction

6000 Highway 2A, Ponoka, Alberta T4J 1P6

Mailing Address

Phone (403)783-3473 Fax (403)783-3483

Telephone and Fax Numbers

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 generally accepted accounting principles 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 Chairman

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position
and results of operations and cash flows for the year in accordance with generally accepted accounting principles and
follow the financial reporting requirements prescribed by Alberta Education.

BOARD CHAIR				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">Trudy Bratland</td> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;"></td> </tr> <tr> <td style="font-size: small; padding: 5px;">Name</td> <td style="font-size: small; padding: 5px;">Signature</td> </tr> </table>	Trudy Bratland		Name	Signature
Trudy Bratland				
Name	Signature			
SUPERINTENDENT				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">Dr. Larry Jacobs</td> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;"></td> </tr> <tr> <td style="font-size: small; padding: 5px;">Name</td> <td style="font-size: small; padding: 5px;">Signature</td> </tr> </table>	Dr. Larry Jacobs		Name	Signature
Dr. Larry Jacobs				
Name	Signature			
SECRETARY TREASURER OR TREASURER				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;">Joseph Henderson</td> <td style="width: 50%; border-bottom: 1px solid black; padding: 5px;"></td> </tr> <tr> <td style="font-size: small; padding: 5px;">Name</td> <td style="font-size: small; padding: 5px;">Signature</td> </tr> </table>	Joseph Henderson		Name	Signature
Joseph Henderson				
Name	Signature			
28-Nov-12				
Board-approved Release Date				

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**Rowland, Parker
& Associates LLP**
CHARTERED ACCOUNTANTS

P.O. Box 4008 • Ponoka, Alberta • T4J 1R5

AUDITOR'S REPORT

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

We have audited the statement of financial position of the Wolf Creek School Division No. 72 as at August 31, 2012 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control 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, 2012 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

**Ponoka, Alberta
November 28, 2012**


ROWLAND, PARKER & ASSOCIATES LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2012
(in dollars)

		2012	2011 Restated
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$15,697,495	\$16,415,623
Accounts receivable (net after allowances)	(Note 4)	\$1,371,777	\$4,379,733
Prepaid expenses		\$751,220	\$597,854
Other current assets		\$5,761	\$6,291
Total current assets		\$17,826,253	\$21,399,501
Trust assets	(Note 8)	\$1,211,963	\$671,099
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets (Note 5)			
Land		\$656,711	\$656,711
Construction in progress		\$11,769,470	\$7,892,064
Buildings	\$85,796,832		
Less: accumulated amortization	(\$42,451,979)	\$43,344,853	\$44,228,240
Equipment	\$2,221,089		
Less: accumulated amortization	(\$1,884,945)	\$336,144	\$415,771
Vehicles	\$9,790,292		
Less: accumulated amortization	(\$6,354,775)	\$3,435,517	\$4,165,897
Total capital assets		\$59,542,695	\$57,358,683
TOTAL ASSETS		\$78,580,911	\$79,429,283
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$2,282,243	\$5,554,095
Deferred revenue	(Note 7)	\$3,082,602	\$2,813,345
Deferred capital allocations	(Note 10)	\$1,867,154	\$4,177,451
Current portion of long term debt		\$309,161	\$329,945
Total current liabilities		\$7,541,160	\$12,874,836
Trust liabilities	(Note 8)	\$1,211,963	\$671,099
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 9)			
Supported: Debentures and other supported debt		\$1,203,646	\$1,533,591
Less: Current portion		(\$309,161)	(\$329,945)
Unsupported: Debentures and capital loans		\$0	\$0
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 11)	\$51,363,265	\$48,104,862
Total long term liabilities		\$53,469,713	\$49,979,607
TOTAL LIABILITIES		\$61,010,873	\$62,854,443
NET ASSETS			
Unrestricted net assets		\$317,467	\$317,467
Operating reserves		\$7,497,269	\$6,899,153
Accumulated operating surplus (deficit)		\$7,814,736	\$7,216,620
Investment in capital assets		\$6,975,683	\$7,720,130
Capital reserves		\$2,779,619	\$1,638,090
Total capital funds		\$9,755,302	\$9,358,220
Total net assets		\$17,570,038	\$16,574,840
TOTAL LIABILITIES AND NET ASSETS		\$78,580,911	\$79,429,283

Note: Please input "(Restated)" in 2011 column heading where comparatives are not taken from the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2012
(in dollars)

	Actual 2012	Budget 2012	Actual 2011 Restated
REVENUES			
Government of Alberta	\$74,373,587	\$73,832,661	\$68,617,555
Federal Government and/or First Nations	\$2,767,185	\$2,603,630	\$2,338,765
Other Alberta school authorities	\$13,684	\$12,500	\$12,500
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Fees	\$2,037,632	\$2,055,220	\$1,996,168
Other sales and services	\$1,106,297	\$728,635	\$739,744
Investment income	\$199,384	\$194,211	\$131,314
Gifts and donations	\$148,127	\$199,100	\$280,648
Fundraising	\$806,207	\$800,000	\$684,076
Rental of facilities	\$37,930	\$18,400	\$23,890
Gains on disposal of capital assets	\$22,101	\$0	\$52,523
Amortization of capital allocations	\$2,520,138	\$2,518,418	\$2,611,897
Other revenue	\$0	\$0	\$7,036,407
Total Revenues	\$84,032,272	\$82,962,775	\$84,525,487
EXPENSES			
Certificated salaries (Note 19)	\$37,636,505	\$37,696,961	\$35,170,266
Certificated benefits (Note 19)	\$7,537,216	\$7,266,595	\$3,813,491
Non-certificated salaries and wages (Note 19)	\$16,203,415	\$15,805,200	\$15,727,658
Non-certificated benefits (Note 19)	\$4,249,085	\$4,108,662	\$4,046,134
Services, contracts and supplies	\$13,799,403	\$14,436,003	\$13,514,780
Capital and debt services			
Amortization of capital assets			
Supported	\$2,520,138	\$2,518,418	\$2,611,897
Unsupported	\$934,381	\$937,035	\$909,058
Total Amortization of capital assets	\$3,454,519	\$3,455,453	\$3,520,955
Interest on capital debt			
Supported	\$137,849	\$137,849	\$171,181
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$137,849	\$137,849	\$171,181
Other interest and charges	\$19,082	\$700	\$1,893
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$7,041,407
Total Expenses	\$83,037,074	\$82,907,423	\$83,007,765
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$995,198	\$55,352	\$1,517,722
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$995,198	\$55,352	\$1,517,722

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education. Budget 2012 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2012
(in dollars)

	2012	2011 Restated
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$995,198	\$1,517,722
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,520,138)	(\$2,611,897)
Total amortization expense	\$3,454,519	\$3,520,955
Gains on disposal of capital assets	(\$22,101)	(\$52,523)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$3,007,956	(\$3,483,547)
Prepays and other current assets	(\$152,836)	(\$29,350)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$3,271,852)	\$3,973,453
Deferred revenue	\$269,257	\$343,613
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$1,760,003	\$3,178,426
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,583,918)	(\$5,802,031)
Equipment	(\$59,981)	(\$125,161)
Vehicles	(\$79,738)	(\$694,968)
Net proceeds from disposal of capital assets	\$107,207	\$211,912
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$5,616,430)	(\$6,410,248)
C. FINANCING ACTIVITIES		
Capital allocations	\$3,138,299	\$663,921
Issue of long term debt		\$0
Repayment of long term debt	(\$329,945)	(\$329,945)
Add back: supported portion	\$329,945	\$329,945
Other (describe)		\$0
Total cash flows from financing activities	\$3,138,299	\$663,921
Net cash flows from during the year	(\$718,128)	(\$2,567,901)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$16,415,623	\$18,983,524
Cash and temporary investments, net of bank indebtedness, at Aug. 31/12	\$15,697,495	\$16,415,623

Note: Please input "(Restated)" where Actual 2011 comparatives are not as presented in the finalized 2010/2011 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2012**

School Jurisdiction Code: 54

(in dollars)

	(1)	(2)	(3)	(4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15)											
	TOTAL NET ASSETS <small>Cols. 2+3+4+5</small>	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES <small>Cols. 6+8+10+12+14</small>	TOTAL CAPITAL RESERVES <small>Cols. 7+9+11+13+15</small>	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2011	\$16,574,840	\$7,720,130	\$317,467	\$6,899,153	\$1,638,090	\$4,833,581	\$32,462	\$1,137,191	\$565,877	\$769,867	\$305,681	\$158,514	\$734,070	\$0	\$0
<u>Prior period adjustments</u> (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$16,574,840	\$7,720,130	\$317,467	\$6,899,153	\$1,638,090	\$4,833,581	\$32,462	\$1,137,191	\$565,877	\$769,867	\$305,681	\$158,514	\$734,070	\$0	\$0
Excess (deficiency) of revenues over expenses	\$995,198		\$995,198												
Board funded capital additions		\$275,040	\$0	(\$195,302)	(\$79,738)	(\$51,477)	\$0	(\$134,681)	(\$79,738)	(\$9,144)	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$85,106)	(\$22,101)		\$107,207		\$529		\$75,978		\$0		\$30,700		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$3,454,519)	\$3,454,519												
Amortization of capital allocations		\$2,520,138	(\$2,520,138)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$1,907,478)	\$1,907,478		\$700,594		\$128,464		\$40,341		\$1,038,079		\$0	
Net transfers from operating reserves			\$1,114,060	(\$1,114,060)		\$0		\$0		(\$75,981)		(\$1,038,079)		\$0	
Net transfers to capital reserves			(\$1,114,060)		\$1,114,060		\$0		\$0		\$75,981		\$1,038,079		\$0
Net transfers from capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$17,570,038	\$6,975,683	\$317,467	\$7,497,269	\$2,779,619	\$5,482,698	\$32,991	\$1,130,974	\$562,117	\$725,083	\$381,662	\$158,514	\$1,802,849	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2012
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2011	\$4,177,451	\$48,104,862
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2011	\$4,177,451	\$48,104,862
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$3,075,644	
Other Government of Alberta	\$16,769	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$45,886	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$329,945
Expended capital allocations - current year	(\$5,448,596)	\$5,448,596
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$2,520,138
Balance at August 31, 2012	\$1,867,154	\$51,363,265

* Infrastructure Maintenance Renewal (IMR) Program allocations are excluded from this Statement, since those allocations are not externally restricted to capital.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, and Chapter S-3.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). 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 and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of accounting policies summarized below:

a. Revenue Recognition

Revenue is recognized as follows:

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.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b. Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	25-40 years
Equipment and furnishings	5-10 years
Vehicles and buses	5-10 years
Computer hardware & software	3-5 years

Capital assets with costs in excess of \$5,000 are capitalized. No amortization is recorded in the year of acquisition. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

c. Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

d. Pensions

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

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions of 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, 2012, the amount contributed by the Government was \$3,652,747 (2011 - \$3,428,862).

The school board participates in the multi-employer pension plan, 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 \$1,337,384 for the year ended August 31, 2012 (2011 - \$1,240,921). At December 31, 2011, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,639,390,000 (2010, a deficiency of \$4,635,250,000).

e. Prepaid Expenses

Certain expenditures incurred before the close of the school year are for school supplies which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

f. Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g. Financial Instruments

These consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 (2) (d) of the *School Act*.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

h. Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and capital purposes. Such reserves are appropriations of unrestricted net assets.

i. Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2012, the recorded obligation is \$nil (2011 - \$nil). The total expense recorded in the financial statements is \$nil (2011 - \$nil).

j. Investments

Short term investments are valued at the lower of cost or market value. Long term investments are valued at cost or, where there has been other than a temporary impairment in the value of the investment, market value.

k. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include: allowance for doubtful accounts, impairment of long-lived assets, estimated useful lives of tangible capital assets and contingent liabilities. Actual results may differ from management's best estimates as additional information becomes available in the future.

l. Future Accounting Policies

The school board will adopt public sector accounting standards for the year ending August 31, 2013 with retrospective application and restatement of the prior school year. The transition is intended to enhance the public accountability and comparability of the financial reporting of the government controlled entities with those of other government organizations.

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments include unexpended capital funding grant receipts of \$1,867,154 (2011 - \$4,177,451) and capital reserve funding in the amount of \$2,779,619 (2011 - \$1,638,090). These funds are not available to fund current operations, as they must be expended on capital projects.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

4. ACCOUNTS RECEIVABLE

	<u>2012</u>	<u>2011</u>
First Nations	\$ 443,408	209,998
Alberta Education	253,644	433,363
Federal Government	126,588	417,145
Health authorities	88,712	-
Alberta municipalities	6,600	176,875
Other Province of Alberta	8,800	8,800
Other Alberta school jurisdictions	6,600	18,671
Other accounts receivable	<u>437,425</u>	<u>3,114,881</u>
	<u>\$ 1,371,777</u>	<u>4,379,733</u>

Wolf Creek School Division No. 72
 Notes to Financial Statements
August 31, 2012

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Total Aug. 31, 2012	Total Aug. 31, 2011
Estimated Useful life			25-40 Years	3-10 Years	5-10 Years		
Historical cost							
September 1, 2011	\$656,711	\$7,892,064	\$84,073,552	\$2,177,878	\$10,510,469	\$105,310,673	\$99,830,131
Additions	-	5,600,688	-	43,211	79,738	5,723,637	6,622,157
Transfers in (out)	-	(1,723,280)	1,723,280	-	-	-	-
Less disposals including write-offs	-	-	-	-	(799,915)	(799,915)	(1,141,615)
August 31, 2012	\$656,711	\$11,769,472	\$85,796,832	\$2,221,089	\$9,790,292	\$110,234,395	\$105,310,673
Accumulated amortization							
September 1, 2011	-	-	\$39,845,311	\$1,762,106	\$6,344,572	\$47,951,990	\$45,413,263
Amortization expense	-	-	2,606,668	122,839	725,012	3,454,519	3,520,855
Transfers in (out)	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	(714,809)	(714,809)	(982,128)
August 31, 2012	-	-	\$42,451,979	\$1,884,945	\$6,354,775	\$50,691,700	\$47,951,990
Net Book Value at August 31, 2012	\$656,711	\$11,769,472	\$43,344,853	\$336,144	\$3,435,517	\$59,542,695	\$57,358,683

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2012</u>	<u>2011</u>
Health authorities	\$ 222,911	-
Alberta Education	63,308	84,722
Alberta Finance	53,553	67,087
Alberta municipalities	40,685	95,016
Federal Government	11,549	13,448
Other Alberta school jurisdictions	229,206	-
Other Government of Alberta departments	7,112	3,254
Other trade payables and accrued liabilities	<u>1,653,919</u>	<u>5,290,568</u>
Total	<u>\$ 2,282,243</u>	<u>5,554,095</u>

7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
Alberta Education Restricted Operational Funding:					
Infrastructure Maintenance Renewal	\$1,620,938	\$1,271,966	(\$902,684)	\$0	\$1,990,220
Alberta Initiative of School Improvement	\$117,027	\$0	(\$117,027)	\$0	\$0
CTS Evergreen Grant	\$117,256	\$0	(\$67,421)	\$0	\$49,835
Action on Inclusion	\$0	\$47,624	(\$32,564)	\$0	\$15,060
Other Government of Alberta Restricted Funding:					
Health in Action	\$4,606	\$0	(\$4,606)	\$0	\$0
Other Deferred Revenue:					
School generated funds	\$768,894	\$837,281	(\$768,894)	\$0	\$837,281
Instruction fees	\$84,986	\$90,516	(\$84,986)	\$0	\$90,516
Bussing fees	\$71,848	\$73,202	(\$71,848)	\$0	\$73,202
Alberta municipalities	\$0	\$23,931	\$0	\$0	\$23,931
Other school jurisdictions	\$27,790	\$2,557	(\$27,790)	\$0	\$2,557
Total	<u>\$2,813,345</u>	<u>\$2,347,077</u>	<u>(\$2,077,820)</u>	<u>\$0</u>	<u>\$3,082,602</u>

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

8. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	<u>2012</u>	<u>2011</u>
Scholarship Trusts	\$ 419,879	373,378
SHIP Funds Held in Trust	259,525	-
CYCN Funds Held in Trust	236,486	-
Deferred Salary Leave Plan	174,244	176,744
Other trust accounts	<u>121,829</u>	<u>120,977</u>
Total	\$ <u>1,211,963</u>	<u>671,099</u>

9. LONG TERM DEBT

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7.625% and 12.000%. The debenture debt is fully supported by Alberta Treasury Board and Finance. Debenture principal payments due over the next five years and beyond are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012 to 2013	\$ 309,161	117,943	427,104
2013 to 2014	294,870	86,607	381,477
2014 to 2015	214,870	56,808	271,678
2015 to 2016	168,125	35,208	203,333
2016 to 2017	120,125	19,148	139,273
2017 to Maturity	<u>96,495</u>	<u>9,653</u>	<u>106,148</u>
Total	\$ <u>1,203,646</u>	<u>325,367</u>	<u>1,529,013</u>

10. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose received or are receivable by the jurisdiction, but the related expenditure had not been made at year-end. When expended, these deferred capital allocations are transferred to the unamortized capital allocations account.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations 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. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

12. FEES

<u>Item</u>	<u>Gross Receipts</u>
Transportation fees*	\$ 199,958
Fees charged for instruction material and supplies**	490,320
Other fees	<u>1,347,354</u>
Total	\$ <u>2,037,632</u>

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

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

13. SCHOOL GENERATED FUNDS

Unexpended School Generated Revenues, Opening Balance August 31, 2011	\$ 768,894
Current Year Activities – Gross Receipts:	
Fees	626,894
Fundraising	806,207
Gifts and donations	280,391
Grants to schools	-
Other sales and services	<u>63,998</u>
Total gross receipts	\$ <u>1,777,490</u>
Current Year Activities – Total Direct Costs including Cost of Goods Sold to Raise Funds	454,247
Current Year Activities – Use of Funds	<u>1,254,856</u>
Unexpended School Generated Revenues, Ending Balance August 31, 2012	\$ <u>837,281</u>

14. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located within some of its school buildings. A liability, however, has not been recognized because the fair value cannot be reasonably estimated due to there being no records at these sites.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

A. Leases:

The school jurisdiction has entered into various operating leases for certain equipment and real estate. Annual rentals payable under long-term lease agreements are as follows for the year ending in:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2012/2013	\$ 305,602
2013/2014	282,102
2014/2015	178,404
2015/2016	178,404
2016/2017	<u>178,404</u>
	\$ <u>1,122,916</u>

B. Contractual Obligations:

- (a) The school division has entered into contracts with various companies to provide janitorial and building climate control services. The annual cost of the contracts over their remaining terms is as follows:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2012/2013	\$ 440,956
2013/2014	<u>147,952</u>
	\$ <u>588,908</u>

- (b) The school division has also entered into contracts with various contractors to provide busing services for students. The annual cost of the busing contracts over the remaining terms of the contracts is as follows:

<u>Fiscal Year</u>	<u>Amount of Obligation</u>
2012/2013	\$ 955,558
2013/2014	<u>489,479</u>
	\$ <u>1,445,037</u>

- (c) In the 2007/2008 school year, the Wolf Creek School Division renegotiated a collective agreement with the Alberta Teachers Association (ATA). This contract requires annual increases of teachers salaries equal to the Alberta Average Weekly Earnings Index. This collective agreement expired August 31, 2012. A new agreement is being negotiated between the ATA and Alberta Education and the old agreement remains in place until a decision is reached.

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

COMMITMENTS AND CONTRACTUAL OBLIGATIONS (continued)

(d) The Wolf Creek School Division is committed to further capital expenditures for the modernization of one of its school buildings in the amount of \$289,991. It is anticipated these costs will be fully funded by the capital allocations from Alberta Education.

16. CONTINGENCIES

The jurisdiction 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.

17. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities that are consolidated in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Wolf Creek School Division had related party transactions for the year ended August 31, 2012 on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets (at cost or net realizable value)</u>	<u>Liabilities (at fair value)</u>	<u>Revenues</u>	<u>Expenses</u>
<u>2011/2012</u>				
Government of Alberta:				
Education	\$ 253,644	2,171,976	74,235,738	-
Education (Deferred Capital Allocation)	-	1,867,154	-	-
Treasury Board and Finance	-	1,203,646	137,849	137,849
Health & Wellness	88,712	-	0	-
Human Services	8,800	-	8,800	-
Other Gov't of Alberta Departments	-	7,112	-	2,553,059
Other:				
Health authorities	-	222,911	-	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	-	<u>229,206</u>	<u>13,684</u>	-
Total 2011/2012	\$ <u>351,156</u>	<u>5,702,005</u>	<u>74,396,071</u>	<u>2,690,908</u>
Total 2010/2011	\$ <u>442,163</u>	<u>7,721,326</u>	<u>68,630,055</u>	<u>2,542,871</u>

Wolf Creek School Division No. 72
Notes to Financial Statements
August 31, 2012

18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

19. REMUNERATION AND MONETARY INCENTIVES

The Wolf Creek School Division has paid or accrued expenses for the year ended August 31, 2012 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	1.0	\$29,300	\$5,180	\$0			\$15,344
Other members:							
Jess, Lorrie	1.0	\$25,500	\$5,055	\$0			\$13,152
Engen, Karin,	1.0	\$19,150	\$4,845	\$0			\$11,357
Huff, Robert	1.0	\$21,500	\$4,923	\$0			\$9,194
Peterson, Donna	1.0	\$22,500	\$4,967	\$0			\$11,418
Walker, Barb	1.0	\$13,250	\$3,641	\$0			\$3,194
Subtotal	6.0	\$131,200	\$28,611	\$0			\$63,659
Superintendent	1.0	\$184,765	\$27,796	\$0	\$0	\$0	\$10,033
Secretary/Treasurer	1.0	\$156,156	\$30,256	\$0	\$0	\$0	\$7,998
Certificated teachers	412.6	\$37,636,505	\$7,537,216	\$0	\$0	\$0	
Non-certificated - other	379.2	\$16,203,415	\$4,249,085	\$0	\$0	\$0	
TOTALS		\$54,312,041	\$11,872,964	\$0	\$0	\$0	

* Benefits include government portion of the current service contribution to the Alberta Teachers Pension Fund on behalf of the school jurisdiction.

20. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees November 25, 2011. 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 2011/2012 presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2012
[School Act, Section 276]

WOLF CREEK SCHOOL DIVISION NO.72

Legal Name of School Jurisdiction

6000 Highway 2A Ponoka, Alberta T4J 1P6

Mailing Address

Phone (403)783-3473 Fax (403)-783-3483

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Joseph Henderson CGA

Name

Signature

28-Nov-12

Dated

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

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SCHEDULE A

School Jurisdiction Code: 54

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2011/2012

REVENUES	ECS -Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$58,248,758	\$7,192,088	\$5,378,272	\$3,090,566	\$113,664	\$74,023,348
(2) Other - Government of Alberta	\$341,439	\$8,800	\$0	\$0	\$0	\$350,239
(3) Federal Government and First Nations	\$2,497,302	\$269,883	\$0	\$0	\$0	\$2,767,185
(4) Other Alberta school authorities	\$13,684	\$0	\$0	\$0	\$0	\$13,684
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0
(7) Fees	\$1,837,674		\$199,958			\$2,037,632
(8) Other sales and services	\$1,014,986	\$70,879	\$2,860	\$17,572	\$0	\$1,106,297
(9) Investment income	\$170,668	\$27,213	\$60	\$1,443	\$0	\$199,384
(10) Gifts and donations	\$148,127	\$0	\$0	\$0	\$0	\$148,127
(11) Fundraising	\$806,207	\$0	\$0	\$0	\$0	\$806,207
(12) Rental of facilities	\$26,738	\$11,192	\$0	\$0	\$0	\$37,930
(13) Gains on disposal of capital assets	\$528	(\$238)	\$21,811	\$0	\$0	\$22,101
(14) Amortization of capital allocations	\$7,875	\$2,512,263	\$0		\$0	\$2,520,138
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$65,113,986	\$10,092,080	\$5,602,961	\$3,109,581	\$113,664	\$84,032,272
EXPENSES						
(17) Certificated salaries	\$36,983,247			\$653,258	\$0	\$37,636,505
(18) Certificated benefits	\$7,446,262			\$90,954	\$0	\$7,537,216
(19) Non-certificated salaries and wages	\$9,989,411	\$2,888,155	\$2,240,036	\$1,085,813	\$0	\$16,203,415
(20) Non-certificated benefits	\$2,808,316	\$788,941	\$390,951	\$260,877	\$0	\$4,249,085
(21) SUB - TOTAL	\$57,227,236	\$3,677,096	\$2,630,987	\$2,090,902	\$0	\$65,626,221
(22) Services, contracts and supplies	\$7,358,871	\$3,636,646	\$1,912,084	\$778,138	\$113,664	\$13,799,403
(23) Amortization of capital assets	\$104,106	\$2,601,274	\$673,158	\$75,981	\$0	\$3,454,519
(24) Interest and charges	\$8,883	\$137,849	\$0	\$10,199	\$0	\$156,931
(25) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(26) Other expense	\$0	\$0	\$0	\$0	\$0	\$0
(27) TOTAL EXPENSES	\$64,699,096	\$10,052,865	\$5,216,229	\$2,955,220	\$113,664	\$83,037,074
EXCESS (DEFICIENCY) OF REVENUES						
(28) OVER EXPENSES	\$414,890	\$39,215	\$386,732	\$154,361	\$0	\$995,198

**SCHEDULE B
OPERATIONS AND MAINTENANCE OF SCHOOLS & MAINTENANCE SHOPS PROGRAM EXPENSE DETAILS - 2011/2012**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR & Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,831,627	\$494,866	\$0	\$92,822	\$468,840		\$2,888,155		\$2,888,155
Uncertificated benefits	\$524,979	\$129,724	\$0	\$23,038	\$111,200		\$788,941		\$788,941
Sub-total Remuneration	\$2,356,606	\$624,590	\$0	\$115,860	\$580,040		\$3,677,096		\$3,677,096
Supplies and services	\$359,161	\$646,575	\$0	\$785,716	\$447,037		\$2,238,489		\$2,238,489
Electricity			\$755,006				\$755,006		\$755,006
Natural gas/heating fuel			\$428,452				\$428,452		\$428,452
Sewer and water			\$214,699				\$214,699		\$214,699
Telecommunications			\$0				\$0		\$0
Insurance					\$0		\$0		\$0
Amortization of capital assets									
Supported								\$2,512,263	\$2,512,263
Unsupported				\$0		\$89,011	\$89,011		\$89,011
Total Amortization				\$0		\$89,011	\$89,011	\$2,512,263	\$2,601,274
Interest on capital debt									
Supported								\$137,849	\$137,849
Unsupported				\$0		\$0	\$0		\$0
Lease payments for facilities				\$0		\$0	\$0		\$0
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
TOTAL EXPENSES	\$2,715,767	\$1,271,165	\$1,398,157	\$901,576	\$1,027,077	\$89,011	\$7,402,753	\$2,650,112	\$10,052,865
SQUARE METRES									
School buildings									91,074.0
Non school buildings									13,868.0

- 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 Relocations:** All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.
 - 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.