

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Parkland School Division No. 70

Legal Name of School Jurisdiction

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Parkland School Division No. 70 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 Chairman

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

Eric Cameron

Name

"Original Signed"

Signature

SUPERINTENDENT

Tim Monds

Name

"Original Signed"

Signature

SECRETARY-TREASURER OR TREASURER

Claire Jonsson

Name

"Original Signed"

Signature

November 26, 2013

Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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November 26, 2013

Independent Auditor's Report

**To the Board of Trustees of
Parkland School Division No. 70**

We have audited the accompanying financial statements of Parkland School Division No. 70, which comprise the statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011 and the statements of operations, cash flows, changes in net debt and remeasurement gains and losses for the years ended August 31, 2013 and August 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Parkland School Division No. 70 as at August 31, 2013, August 31, 2012 and September 1, 2011 and the results of its operations, cash flows, changes in net debt and remeasurement gains and losses for the years ended August 31, 2013 and August 31, 2012 in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Accountants

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

		August 31		September 1
		2013	2012	2011
FINANCIAL ASSETS				
Cash and cash equivalents	(Note 4)	\$13,385,933	\$12,920,789	\$14,411,350
Accounts receivable (net after allowances)	(Note 5)	\$834,494	\$1,997,777	\$1,321,247
Portfolio investments		\$0	\$0	\$0
Other financial assets		\$0	\$0	\$0
Total financial assets		\$14,220,427	\$14,918,566	\$15,732,597
LIABILITIES				
Bank indebtedness		\$0	\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$4,283,806	\$4,377,589	\$2,840,522
Deferred revenue	(Note 7)	\$82,515,864	\$85,477,869	\$89,733,136
Employee future benefit liabilities	(Note 8)	\$488,399	\$407,871	\$292,862
Other liabilities		\$0	\$0	\$0
Debt	(Note 9)			
Supported: Debentures and other supported debt		\$155,845	\$343,587	\$709,472
Unsupported: Debentures and capital loans		\$0	\$0	\$0
Capital leases		\$0	\$0	\$0
Mortgages		\$0	\$0	\$0
Total liabilities		\$87,443,914	\$90,606,916	\$93,575,992
Net financial assets (debt)		(\$73,223,487)	(\$75,688,350)	(\$77,843,395)
NON-FINANCIAL ASSETS				
Tangible capital assets	(Note 10)			
Land		\$4,167,683	\$4,167,683	\$4,167,683
Construction in progress		\$0	\$0	\$0
Buildings	\$139,164,169			
Less: Accumulated amortization	(\$58,701,275)	\$80,462,894	\$82,894,953	\$86,780,684
Equipment	\$8,400,243			
Less: Accumulated amortization	(\$6,171,560)	\$2,228,683	\$2,199,811	\$2,353,697
Vehicles	\$1,160,402			
Less: Accumulated amortization	(\$931,010)	\$229,392	\$372,532	\$507,100
Computer Equipment	\$1,976,065			
Less: Accumulated amortization	(\$1,257,811)	\$718,254	\$782,181	\$1,112,280
Total tangible capital assets		\$87,806,906	\$90,417,160	\$94,921,444
Prepaid expenses		\$235,483	\$180,278	\$223,694
Other non-financial assets		\$0	\$0	\$0
Total non-financial assets		\$88,042,389	\$90,597,438	\$95,145,138
Accumulated surplus	(Note 11)	\$14,818,901	\$14,909,088	\$17,301,743
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)		\$14,818,901	\$14,909,088	\$17,301,743
Accumulated remeasurement gains (losses)		\$0	\$0	\$0
		\$14,818,901	\$14,909,088	\$17,301,743
Contractual obligations	(Note 12)			
Contingent liabilities	(Note 13)			

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

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012
REVENUES			
Alberta Education	\$105,392,377	\$105,835,636	\$103,223,402
Other - Government of Alberta	\$56,247	\$24,224	\$56,247
Federal Government and First Nations	\$1,815,153	\$1,761,287	\$1,679,344
Other Alberta school authorities	\$54,000	\$10,036	\$34,693
Out of province authorities	\$0	\$0	\$11,250
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees (Note 14)	\$2,275,603	\$2,834,490	\$2,529,038
Other sales and services	\$558,199	\$1,472,593	\$1,350,993
Investment income	\$142,000	\$193,653	\$182,607
Gifts and donations	\$129,729	\$322,422	\$96,925
Rental of facilities	\$15,680	\$7,703	\$13,589
Fundraising	\$2,124,977	\$1,297,915	\$1,244,101
Gains (losses) on disposal of capital assets	\$0	\$0	\$36,201
Other revenue	\$0	\$0	\$0
Total revenues	\$112,563,965	\$113,759,959	\$110,458,390
EXPENSES			
Instruction	\$85,393,668	\$85,649,058	\$83,736,584
Plant operations and maintenance	\$13,154,914	\$13,643,920	\$15,547,919
Transportation	\$10,569,219	\$10,447,748	\$9,845,300
Administration	\$3,869,890	\$4,027,728	\$3,683,683
External services	\$61,318	\$81,691	\$37,559
Total expenses	\$113,049,009	\$113,850,145	\$112,851,045
Operating surplus (deficit)	(\$485,044)	(\$90,187)	(\$2,392,655)

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

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (In dollars)

	2013	2012
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	(\$90,187)	(\$2,392,655)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$4,495,489	\$6,962,318
Gains on disposal of tangible capital assets	\$0	(\$36,201)
Losses on disposal of tangible capital assets	\$3,542	\$0
Changes in:		
Accounts receivable	\$1,163,283	(\$676,530)
Prepays	(\$55,205)	\$43,416
Other financial assets	\$0	\$0
Non-financial assets	\$0	\$0
Accounts payable and accrued liabilities	(\$93,783)	\$1,537,067
Deferred revenue (Excluding EDCR)	(\$2,962,005)	(\$4,255,267)
Employee future benefit liabilities	\$80,528	\$115,009
Other (describe)	\$0	\$0
Total cash flows from operating transactions	\$2,541,663	\$1,297,157
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$889,825)	(\$1,798,128)
Equipment	(\$743,185)	(\$596,115)
Vehicles	\$0	(\$70,709)
Computer equipment	(\$255,767)	\$43,119
Net proceeds from disposal of unsupported capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from capital transactions	(\$1,888,777)	(\$2,421,833)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$0	\$0
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe) Debt Repayment	\$0	\$0
Total cash flows from investing transactions	\$0	\$0
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$187,742)	(\$365,885)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$187,742)	(\$365,885)
Increase (decrease) in cash and cash equivalents	\$465,144	(\$1,490,561)
Cash and cash equivalents, at beginning of year	\$12,920,789	\$14,411,350
Cash and cash equivalents, at end of year	\$13,385,933	\$12,920,789

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

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)
For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	(\$90,187)	(\$2,392,655)
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	(\$1,888,777)	(\$2,421,833)
Amortization of tangible capital assets	\$4,495,489	\$6,962,318
Net carrying value of tangible capital assets disposed of	\$3,542	(\$36,201)
Write-down carrying value of tangible capital assets	\$0	\$0
Total effect of changes in tangible capital assets	\$2,610,254	\$4,504,284
Changes in:		
Prepaid expenses	(\$55,205)	\$43,416
Other non-financial assets	\$0	\$0
Net remeasurement gains and (losses)	\$0	\$0
Endowments	\$0	\$0
Increase (decrease) in net financial assets (net debt)	\$2,464,862	\$2,155,045
Net financial assets (net debt) at beginning of year	(\$75,688,350)	(\$77,843,395)
Net financial assets (net debt) at end of year	(\$73,223,488)	(\$75,688,350)

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

School Jurisdiction Code: 2305

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio investments	\$0
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	
Other	\$0
Net remeasurement gains (losses) for the year	\$0
Accumulated remeasurement gains (losses) at end of year	\$0

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

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REINVESTMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED		INTERNALLY RESTRICTED RESERVES BY PROGRAM									
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	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, 2012	\$14,909,088	\$0	\$14,909,088	\$6,179,625	\$0	\$943,768	\$4,860,024	\$2,925,671	\$4,428,648	\$886,770	\$38,781	\$520,103	\$387,394	\$1,206,492	\$25,201	\$81,921	\$0	\$26,385
Prior period adjustments:																		
	\$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	\$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
	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2012	\$14,909,088	\$0	\$14,909,088	\$6,179,625	\$0	\$943,768	\$4,860,024	\$2,925,671	\$4,428,648	\$886,770	\$38,781	\$520,103	\$387,394	\$1,206,492	\$25,201	\$81,921	\$0	\$26,385
Operating surplus (deficit)	(\$90,187)		(\$90,187)			(\$90,187)												
Board funded tangible capital asset additions				\$556,689		\$0	\$0	(\$556,689)	\$0	(\$567,824)		(\$16,401)	\$0	(\$32,455)	\$0	\$0	\$0	\$0
Dispose of unsupported tangible capital assets	\$0		\$0	(\$3,542)		\$0		\$3,542		\$0		\$0		\$3,542	\$0	\$0	\$0	\$0
Deposital of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0
Net reinvestment gains (losses) for the Year	\$0	\$0	\$0			\$0		\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0
Endowment expenses	\$0		\$0		\$0													
Direct credits to accumulated surplus	\$0		\$0		\$0													
Amortization of tangible capital assets	\$0			(\$4,495,489)		\$4,495,489												
Capital revenue recognized	\$0			\$3,559,506		(\$3,559,506)												
Debt principal repayments (unsupported)	\$0		\$0	\$0		\$0												
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0		\$0		\$0				\$0		\$0	\$0
Net transfers to operating reserves	\$0					(\$4,035,275)	\$4,035,275	\$3,525,187			\$432,202		\$0		\$77,886		\$0	\$0
Net transfers from operating reserves	\$0					\$4,014,169	(\$4,014,169)	(\$3,416,280)			(\$470,963)		(\$126,905)		\$0		\$0	\$0
Net transfers to capital reserves	\$0					(\$924,689)		\$924,689		\$926,488		\$0		\$142,568		\$55,533		\$0
Net transfers from capital reserves	\$0					\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$14,818,901	\$0	\$14,818,901	\$6,796,790	\$0	\$943,768	\$4,881,131	\$3,197,222	\$4,537,556	\$1,107,434	\$0	\$503,702	\$240,489	\$1,320,247	\$103,087	\$137,454	\$0	\$26,385

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REVERSALS/RETIREMENTS (GAINS/LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED RESERVES			INTERNALLY RESTRICTED RESERVES BY PROGRAM							
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	TOTAL	School & Instruction Related	Operations & Maintenance	Board & System Administration	Transportation	External Services	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2011	\$15,265,716	\$0	\$15,265,716	\$0,788,590	\$0	\$943,768	\$5,121,015	\$3,417,343	\$1,038,027	\$1,038,027	\$0	\$0	\$0	\$0	\$0	\$0	\$20,040
Prior period adjustments:																	
School Generated Funds Restatement (PSAS)	\$1,038,027	\$0	\$1,038,027	\$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	\$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	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2011	\$17,301,743	\$0	\$17,301,743	\$6,788,590	\$0	\$943,768	\$6,157,042	\$3,417,343	\$1,038,027	\$1,038,027	\$489,163	\$529,808	\$311,703	\$1,343,643	\$0	\$90,776	\$20,040
Operating surplus (deficit)	(\$2,392,655)		(\$2,392,655)			(\$2,392,655)											
Board funded tangible capital asset additions				\$438,792		\$0	\$0	(\$438,792)	\$0	(\$287,167)	\$0	(\$49,388)	\$0	(\$51,828)	\$0	(\$70,709)	\$0
Disposal of unsupported tangible capital assets	\$0		\$0	(\$6,921)		(\$6,921)		\$6,921	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net remeasurement gains (losses) for the year	\$0	\$0	\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Endowment expenses	\$0		\$0		\$0	\$0											
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0											
Amortization of tangible capital assets	\$0		\$0	(\$6,992,318)		\$6,992,318											
Capital revenue recognized	\$0		\$0	\$5,921,462		(\$5,921,462)											
Debt principal repayments (unreported)	\$0		\$0	\$0		\$0											
Externally imposed endowment reductions	\$0		\$0			\$0											
Net transfers to operating reserves	\$0		\$0		\$0	\$0	\$0		\$0	\$0	\$0	\$55,651	\$25,201	\$0	\$0	\$0	\$0
Net transfers from operating reserves	\$0		\$0			(\$30,852)	(\$1,377,910)		(\$957,529)		(\$450,952)	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to capital reserves	\$0		\$0			(\$1,425,656)		\$1,425,656	\$1,097,861	\$1,097,861	\$123,638	\$137,380	\$58,472	\$0	\$0	\$0	\$0
Net transfers from capital reserves	\$0		\$0			\$1,509,777		(\$1,509,777)	(\$1,260,000)	(\$1,260,000)	\$0	(\$243,003)	(\$16,774)	\$0	\$0	\$0	\$0
Assumption/transfer of other operations surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$14,909,086	\$0	\$14,909,086	\$6,179,625	\$0	\$943,768	\$4,880,024	\$2,925,671	\$4,428,648	\$986,770	\$39,781	\$620,103	\$387,394	\$1,206,492	\$26,201	\$91,921	\$28,385

**SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)**

	Unexpended 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)	Expended Deferred Capital Revenue
Balance at August 31, 2012	\$764,263	\$0	\$0	\$0	\$84,237,531
Prior period adjustments	\$0	\$0	\$0	\$0	\$0
Adjusted balance, August 31, 2012	\$764,263	\$0	\$0	\$0	\$84,237,531
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$623,346				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from:					
Alberta Education school building & modular	\$111,445				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$1,332,095)	\$0	\$0	\$0	\$1,332,095
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$3,559,506
Balance at August 31, 2013	\$166,959	\$0	\$0	\$0	\$82,010,120
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$166,959	

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 tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/201C

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

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)

	Unexpended 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)	Expended Deferred Capital Revenue
Balance at August 31, 2011	\$934,861	\$0	\$0	\$0	\$87,423,379
Prior period adjustments	\$0	\$0	\$0	\$0	\$709,472
Adjusted balance, August 31, 2011	\$934,861	\$0	\$0	\$0	\$88,132,851
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$1,848,931				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$0				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$6,633	\$0	\$0	\$0	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$0
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$2,026,162)	\$0	\$0	\$0	\$2,026,162
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognition					\$5,921,482
Balance at August 31, 2012	\$764,263	\$0	\$0	\$0	\$84,237,531
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$764,263	

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 tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/201C

(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, 2013 (in dollars)

REVENUES	2013					2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$79,402,811	\$12,949,763	\$9,829,699	\$3,637,725	\$15,638	\$105,836,636
(2) Other - Government of Alberta	\$0	\$24,224	\$0	\$0	\$0	\$24,224
(3) Federal Government and First Nations	\$1,511,609	\$183,097	\$0	\$66,581	\$0	\$1,761,287
(4) Other Alberta school authorities	\$2,686	\$0	\$7,350	\$0	\$0	\$10,036
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$2,399,589		\$434,901		\$0	\$2,834,490
(9) Other sales and services	\$1,141,841	\$11,150	\$253,664	\$2,865	\$63,053	\$1,472,593
(10) Investment income	\$0	\$0	\$0	\$193,653	\$0	\$193,653
(11) Gifts and donations	\$322,422	\$0	\$0	\$0	\$0	\$322,422
(12) Rental of facilities	\$0	\$4,703	\$0	\$0	\$3,000	\$7,703
(13) Fundraising	\$1,297,915	\$0	\$0	\$0	\$0	\$1,297,915
(14) Gains on disposal of tangible capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$96,078,873	\$13,172,937	\$10,525,634	\$3,900,824	\$81,691	\$113,759,959
EXPENSES						
(17) Certificated salaries	\$49,933,590			\$638,041	\$0	\$50,571,631
(18) Certificated benefits	\$10,915,471			\$100,515	\$0	\$11,015,986
(19) Non-certificated salaries and wages	\$11,702,153	\$3,448,147	\$447,732	\$1,598,757	\$23,100	\$17,219,889
(20) Non-certificated benefits	\$2,897,169	\$895,072	\$133,765	\$359,869	\$0	\$4,285,915
(21) SUB - TOTAL	\$75,448,383	\$4,343,219	\$581,517	\$2,697,202	\$23,100	\$83,093,421
(22) Services, contracts and supplies	\$9,570,645	\$5,621,315	\$9,810,698	\$1,187,859	\$42,953	\$26,233,469
(23) Amortization of supported tangible capital assets	\$0	\$3,543,868	\$0	\$0	\$15,638	\$3,559,506
(24) Amortization of unsupported tangible capital assets	\$626,488	\$111,294	\$55,533	\$142,668	\$0	\$935,983
(25) Supported interest on capital debt	\$0	\$24,224	\$0	\$0	\$0	\$24,224
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$0	\$0	\$0
(28) Losses on disposal of tangible capital assets	\$3,542	\$0	\$0	\$0	\$0	\$3,542
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$85,649,058	\$13,643,920	\$10,447,748	\$4,027,728	\$81,691	\$113,850,145
(31) OPERATING SURPLUS (DEFICIT)	\$429,815	(\$470,983)	\$77,886	(\$126,905)	\$0	(\$90,187)
(17) Certificated salaries	\$49,933,590			\$638,041	\$0	\$50,571,631
(18) Certificated benefits	\$10,915,471			\$100,515	\$0	\$11,015,986
(19) Non-certificated salaries and wages	\$11,702,153	\$3,448,147	\$447,732	\$1,598,757	\$23,100	\$16,284,325
(20) Non-certificated benefits	\$2,897,169	\$895,072	\$133,765	\$359,869	\$0	\$4,005,387
(21) SUB - TOTAL	\$75,448,383	\$4,343,219	\$581,517	\$2,697,202	\$23,100	\$79,606,630
(22) Services, contracts and supplies	\$9,570,645	\$5,621,315	\$9,810,698	\$1,187,859	\$42,953	\$26,225,850
(23) Amortization of supported tangible capital assets	\$0	\$3,543,868	\$0	\$0	\$15,638	\$5,921,482
(24) Amortization of unsupported tangible capital assets	\$626,488	\$111,294	\$55,533	\$142,668	\$0	\$1,040,836
(25) Supported interest on capital debt	\$0	\$24,224	\$0	\$0	\$0	\$24,224
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$0	\$0	\$0	\$0	\$0	\$0
(28) Losses on disposal of tangible capital assets	\$3,542	\$0	\$0	\$0	\$0	\$3,542
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$85,649,058	\$13,643,920	\$10,447,748	\$4,027,728	\$81,691	\$112,851,045
(31) OPERATING SURPLUS (DEFICIT)	\$429,815	(\$470,983)	\$77,886	(\$126,905)	\$0	(\$2,392,655)

1. AUTHORITY AND PURPOSE

Parkland School Division No. 70 (the 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 Division is limited on certain funding allocations and administration expenses.

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2012/13 fiscal year, the School Division has adopted Canadian Public Sector Accounting ("PSA") standards without not-for-profit provisions. These financial statements are the first financial statements for which the School Division has applied PSA standards with retroactive application.

As a result of the adoption of Public Sector Accounting Standards comparative information has been restated as follows.

(a) Reconciliation of Opening Statement of Financial Position

SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS
For the Year Ended August 31, 2013 (in dollars)

	September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$14,411,350	\$0	\$14,411,350
Accounts receivable (net after allowances)	\$611,775	\$709,472	\$1,321,247
Portfolio investments / Long term investments	\$0	\$0	\$0
Other financial assets	\$0	\$0	\$0
Other current assets		\$0	\$0
Trust assets	\$270,582	(\$270,582)	\$0
Long term accounts receivable	\$0	\$0	\$0
Total financial assets	\$15,293,707	\$438,890	\$15,732,597
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$3,133,384	(\$292,862)	\$2,840,522
Deferred revenue	\$1,701,451	\$88,031,685	\$89,733,136
Deferred capital allocations	\$934,861	(\$934,861)	\$0
Trust liabilities	\$270,582	(\$270,582)	\$0
Employee future benefit liabilities	\$0	\$292,862	\$292,862
Other liabilities	\$0	\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$709,472	\$0	\$709,472
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Other long-term liabilities		\$0	\$0
Unamortized capital allocations	\$87,423,379	(\$87,423,379)	\$0
Total liabilities	\$94,173,129	(\$597,137)	\$93,575,992
Net Debt	(\$78,879,422)	\$1,036,027	(\$77,843,395)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$4,167,683	\$0	\$4,167,683
Construction in progress	\$0	\$0	\$0
Buildings	\$136,687,636	\$0	\$136,687,636
Less: Accumulated amortization	(\$49,906,952)	\$0	(\$49,906,952)
Equipment	\$9,044,377	(\$1,693,603)	\$7,350,774
Less: Accumulated amortization	(\$5,578,400)	\$581,323	(\$4,997,077)
Vehicles	\$1,233,505	\$0	\$1,233,505
Less: Accumulated amortization	(\$726,405)	\$0	(\$726,405)
Computer Equipment	\$0	\$1,693,603	\$1,693,603
Less: Accumulated amortization	\$0	(\$581,323)	(\$581,323)
Total tangible capital assets	\$94,921,444	\$0	\$94,921,444
Prepaid expenses	\$223,694	\$0	\$223,694
Other non-financial assets	\$0	\$0	\$0
Total non-financial assets	\$95,145,138	\$0	\$95,145,138
Total accumulated surplus	\$16,265,716	\$1,036,027	\$17,301,743
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$16,265,716	\$1,036,027	\$17,301,743
Accumulated remeasurement gains (losses)	\$0	\$0	\$0
	\$16,265,716	\$1,036,027	\$17,301,743

(b) Reconciliation of Statement of Financial Position

SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS
For the Year Ended August 31, 2013 (in dollars)

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$12,920,789	\$0	\$12,920,789
Accounts receivable (net after allowances)	\$1,654,190	\$343,587	\$1,997,777
Portfolio investments / Long term investments	\$0	\$0	\$0
Other financial assets	\$0	\$0	\$0
Other current assets	\$0	\$0	\$0
Trust assets	\$324,255	(\$324,255)	\$0
Long term accounts receivable	\$0	\$0	\$0
Total financial assets	\$14,899,234	\$19,332	\$14,918,566
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$4,785,460	(\$407,871)	\$4,377,589
Deferred revenue	\$1,581,620	\$83,896,249	\$85,477,869
Deferred capital allocations	\$764,263	(\$764,263)	\$0
Trust liabilities	\$324,255	(\$324,255)	\$0
Employee future benefit liabilities	\$0	\$407,871	\$407,871
Other liabilities	\$0	\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$343,587	\$0	\$343,587
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	\$0
Unamortized capital allocations	\$83,893,944	(\$83,893,944)	\$0
Total liabilities	\$91,693,129	(\$1,086,213)	\$90,606,916
Net Debt	(\$76,793,895)	\$1,105,545	(\$75,688,350)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$4,167,683	\$0	\$4,167,683
Construction in progress	\$0	\$0	\$0
Buildings	\$138,274,343	\$0	\$138,274,343
Less: Accumulated amortization	(\$55,379,390)	\$0	(\$55,379,390)
Equipment	\$9,432,761	(\$1,720,298)	\$7,712,463
Less: Accumulated amortization	(\$6,450,769)	\$938,117	(\$5,512,652)
Vehicles	\$1,160,402	\$0	\$1,160,402
Less: Accumulated amortization	(\$787,870)	\$0	(\$787,870)
Computer Equipment	\$0	\$1,720,298	\$1,720,298
Less: Accumulated amortization	\$0	(\$938,117)	(\$938,117)
Total tangible capital assets	\$90,417,160	\$0	\$90,417,160
Prepaid expenses	\$180,278	\$0	\$180,278
Other non-financial assets	\$0	\$0	\$0
Total non-financial assets	\$90,597,438	\$0	\$90,597,438
Total accumulated surplus	\$13,803,543	\$1,105,545	\$14,909,088
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$13,803,543	\$1,105,545	\$14,909,088
Accumulated rereasurement gains (losses)	\$0	\$0	\$0
	\$13,803,543	\$1,105,545	\$14,909,088

(c) Reconciliation of Statement of Operations

SCHEDULE OF TRANSITION TO PUBLIC ACCOUNTING STANDARDS
For the Years Ended August 31, 2012 (in dollars)

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$97,301,920	\$5,921,482	\$103,223,402
Other - Government of Alberta	\$56,247	\$0	\$56,247
Federal Government and First Nations	\$1,679,344	\$0	\$1,679,344
Other Alberta school authorities	\$34,693	\$0	\$34,693
Out of province authorities	\$11,250	\$0	\$11,250
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$2,529,038	\$0	\$2,529,038
Other sales and services	\$1,281,475	\$69,518	\$1,350,993
Investment income	\$182,607	\$0	\$182,607
Gifts and donations	\$96,925	\$0	\$96,925
Rental of facilities	\$13,589	\$0	\$13,589
Fundraising	\$1,244,101	\$0	\$1,244,101
Gains (losses) on disposal of capital assets	\$36,201	\$0	\$36,201
Amortization of capital contributions	\$5,921,482	(\$5,921,482)	\$0
Other revenue	\$0	\$0	\$0
Total Revenues	\$110,388,872	\$69,518	\$110,458,390
EXPENSES			
Instruction	\$83,736,584	\$0	\$83,736,584
Plant operations and maintenance	\$15,547,919	\$0	\$15,547,919
Transportation	\$9,845,300	\$0	\$9,845,300
Administration	\$3,683,683	\$0	\$3,683,683
External services	\$37,559	\$0	\$37,559
Total Expenses	\$112,851,045	\$0	\$112,851,045
Operating surplus (deficit)	(\$2,462,173)	\$69,518	(\$2,392,655)

(d) Reconciliation of the Schedule of Expenses by Object

	August 31, 2012 Not-for-Profit	Adjustments	August 31, 2012 PSAS
EXPENSES			
Certificated salaries	\$48,945,450	\$0	\$48,945,450
Certificated benefits	\$10,371,468	\$0	\$10,371,468
Non-certificated salaries and wages	\$16,284,325	\$0	\$16,284,325
Non-certificated benefits	\$4,005,387	\$0	\$4,005,387
SUB - TOTAL	\$79,606,630	\$0	\$79,606,630
Services, contracts and supplies	\$26,225,850	\$0	\$26,225,850
Amortization of supported tangible capital assets	\$5,921,482	\$0	\$5,921,482
Amortization of unsupported tangible capital assets	\$1,040,836	\$0	\$1,040,836
Supported interest on capital debt	\$56,247	\$0	\$56,247
Unsupported interest on capital debt	\$0	\$0	\$0
Other interest and finance charges	\$0	\$0	\$0
Losses on disposal of tangible capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$112,851,045	\$0	\$112,851,045

3. 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. At August 31, 2013 the Division did not hold any short-term investments.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20%to 25%
Other Equipment & Furnishings	10% to 20%

d) 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 Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

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

- **Unexpended Deferred Capital Revenue**
Unexpended Deferred Capital Revenue 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**
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 Division 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 for certain employees pursuant to certain contracts and union agreements. The School Division accrues its obligations under employee future benefit plans and expenses the related costs.

g) Asset Retirement Obligations

The Division is responsible to pay \$1.25 million of the costs to demolish the former Memorial Composite High School. This demolition is underway at August 31, 2013. Accordingly an asset retirement obligation has been recognized in Accounts Payable and Accrued Liabilities. A capital reserve that was established by the Board of Trustees on November 6, 2012 has been utilized to fund this expenditure.

In addition the Division has determined that it has a conditional asset retirement obligation relating to certain school sites. These obligations will be discharged in the future by funding through the Alberta Government. The Division believes that there is insufficient information to estimate the fair value of the asset retirement obligation because the settlement date or the range of potential settlement dates has not been determined and information is not available to apply an expected present value technique.

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

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

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

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 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, 2013, the amount contributed by the Government was \$5,272,657 (2012 \$4,884,490)

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 \$1,223,461 for the year ended August 31, 2013 (2012 \$1,208,485). At December 31, 2012, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,977,303,000 (2011 deficiency of \$4,639,390,000).

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.

m) Trusts Under Administration

The 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.

n) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

o) Measurement Uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful 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.

4. CASH AND CASH EQUIVALENTS

At August 31, 2013 the division held cash of \$13,385,933 (2012: \$12,920,789).

5. ACCOUNTS RECEIVABLE

	2013	2012
Alberta Education - Grants	\$ 87,015	\$ 710,170
Alberta Education - Capital	111,445	477,390
Alberta Education - Supported debentures	155,845	343,587
Other Alberta school jurisdictions	150	12,369
Treasury Board and Finance	-	21,415
Federal government	238,980	155,027
Municipalities	3,193	-
First nations	83,168	52,869
Other	154,698	224,950
Total	\$ 834,494	\$ 1,997,777

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Alberta Education	\$ 14,545	\$ 1,264,545
Other Alberta school jurisdictions	3,757	-
Alberta Capital Finance Authority (Interest on long-term debt)	11,351	21,415
Post-secondary institutions	426	-
Other Government of Alberta ministries	-	-
Federal government	885,848	831,435
Salaries & benefit costs	1,538,004	925,024
Other trade payables and accrued liabilities	1,829,875	1,335,170
Total	\$ 4,283,806	\$ 4,377,589

7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2012	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2012/2013 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	\$ 314,538	\$ 1,596,231	\$ (1,844,722)	\$ -	\$ 66,047
Other Deferred Revenue:					
Fees	157,019	265,619	(157,019)	-	265,619
Other	4,518	7,119	(4,518)	-	7,119
Total unexpended deferred operating revenue	\$ 476,075	\$ 1,868,969	\$ (2,006,259)	\$ -	\$ 338,785
Unexpended deferred capital revenue	764,263	734,791	(1,332,095)	-	166,959
Expended deferred capital revenue	84,237,531	1,332,095	(3,559,506)	-	82,010,120
Total	\$ 85,477,869	\$ 3,935,855	\$ (6,897,860)	\$ -	\$ 82,515,864

7. DEFERRED REVENUE (Continued)

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 for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 200,480	\$ 676,711	\$ (877,191)	\$ -	\$ -
Children and Youth with Complex Needs	-	208,045	(208,045)	-	-
Infrastructure Maintenance Renewal	162,501	1,543,598	(1,391,561)	-	314,538
Institutional Education Programs	-	255,192	(255,192)	-	-
SuperNet Service	-	190,350	(190,350)	-	-
Other Government of Alberta:					
Special Education Project	15,000	-	-	(15,000)	-
Other Deferred Revenue:					
Fees	184,867	157,019	(184,867)	-	157,019
Donations	102,576	4,518	(102,576)	-	4,518
Total unexpended deferred operating revenue	\$ 665,424	\$ 3,035,433	\$ (3,209,782)	\$ (15,000)	\$ 476,075
Unexpended deferred capital revenue	934,861	1,855,564	(2,026,162)	-	764,263
Expended deferred capital revenue	88,132,851	2,026,162	(5,921,482)	-	84,237,531
Total	\$ 89,733,136	\$ 6,917,159	\$ (11,157,426)	\$ (15,000)	\$ 85,477,869

8. EMPLOYEE FUTURE BENEFIT LIABILITIES

At August 31, 2013 the Division had Employee Future Benefit liabilities of \$488,399 (2012: \$407,871) consisting of accrued vacation.

9. DEBT

The debenture debt bears interest at rates varying between 7.75% and 11.75%. The debenture debt is fully supported by Alberta Treasury Board and Finance. Debenture payments due over the next three years are:

	Principal	Interest	Total
2013-2014	\$ 118,129	\$ 16,081	\$ 134,210
2014-2015	22,346	4,219	26,565
2015-2016	15,370	1,786	17,156
2016 - to maturity	-	-	-
Total	\$ 155,845	\$ 22,086	\$ 177,931

10. TANGIBLE CAPITAL ASSETS

August 31, 2013						
	Land	Buildings	Equipment & Furnishings	Vehicles & Buses	Computer Hardware & Software	Total
Estimated useful life		25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost						
Beginning of year	\$ 4,167,683	\$ 138,274,343	\$ 7,712,463	\$ 1,160,402	\$ 1,720,298	\$ 153,035,189
Additions	-	889,826	743,185	-	255,767	1,888,778
Transfers in (out)	-	-	-	-	-	-
Less disposals including write-offs	-	-	(55,405)	-	-	(55,405)
	\$ 4,167,683	\$ 139,164,169	\$ 8,400,243	\$ 1,160,402	\$ 1,976,065	\$ 154,868,562
Accumulated amortization						
Beginning of year	\$ -	\$ 55,379,390	\$ 5,512,652	\$ 787,870	\$ 938,117	\$ 62,618,029
Additions	-	3,321,885	710,770	143,140	319,694	4,495,489
Transfers in (out)	-	-	-	-	-	-
Less disposals including write-offs	-	-	(51,862)	-	-	(51,862)
	\$ -	\$ 58,701,275	\$ 6,171,560	\$ 931,010	\$ 1,257,811	\$ 67,061,656
Net Book Value at End of Year	\$ 4,167,683	\$ 80,462,894	\$ 2,228,683	\$ 229,392	\$ 718,254	\$ 87,806,906

August 31, 2012						
	Land	Buildings	Equipment & Furnishings	Vehicles & Buses	Computer Hardware & Software	Total
Estimated useful life		25-40 Years	5-10 Years	5-10 Years	3-5 Years	
Historical cost						
Beginning of year	\$ 4,167,683	\$ 136,476,215	\$ 7,477,364	\$ 1,233,506	\$ 1,693,603	\$ 151,048,371
Additions	-	1,798,128	606,777	33,352	26,695	2,464,952
Transfers in (out)	-	-	-	-	-	-
Less disposals including write-offs	-	-	(371,678)	(106,456)	-	(478,134)
	\$ 4,167,683	\$ 138,274,343	\$ 7,712,463	\$ 1,160,402	\$ 1,720,298	\$ 153,035,189
Accumulated amortization						
Beginning of year	\$ -	\$ 49,695,530	\$ 5,123,668	\$ 726,406	\$ 581,323	\$ 56,126,927
Additions	-	5,683,860	760,662	161,002	356,794	6,962,318
Transfers in (out)	-	-	-	(99,538)	-	(471,216)
Less disposals including write-offs	-	\$ 55,379,390	\$ 5,512,652	\$ 787,870	\$ 938,117	\$ 62,618,029
	\$ 4,167,683	\$ 82,894,953	\$ 2,199,811	\$ 372,532	\$ 782,181	\$ 90,417,160

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:

	2013	2012
Unrestricted surplus	\$ 943,768	\$ 943,768
Operating reserves	4,881,131	4,860,024
Accumulated surplus from operations	5,824,899	5,803,792
Investment in tangible capital assets	5,796,780	6,179,625
Capital reserves	3,197,222	2,925,671
Accumulated surplus	\$ 14,818,901	\$ 14,909,088

Accumulated surplus from operations represents unspent funding available to support the Division's operations for the 2013-2014 year and includes a reserve from School Generated Funds (2013: \$1,064,417; 2012: \$1,105,545)

12. CONTRACTUAL OBLIGATIONS

At August 31, 2013 the Division has a contractual obligation for a three-year educational media service contract totaling \$102,978. In addition the Division has contractual obligations for leased space for two High School Outreach programs. Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Leases	Service Providers
2013-14	\$ 132,123	\$ 32,673
2014-15	132,123	34,326
2015-16	132,123	35,979
2016-17	109,982	-
2017-18	65,700	-
Thereafter	-	-
	\$ 572,051	\$ 102,978

13. CONTINGENT LIABILITIES

The Division is a member of the Alberta School Boards Insurance Exchange. Under the terms of its membership, the jurisdiction could become liable for its proportionate share of any claim for losses in excess of the funds held by the exchange. Any liability will be accounted for as a transaction in the year the losses are incurred.

14. FEES

	2013	2012
Transportation fees ⁽¹⁾	\$ 434,901	\$ 394,227
Fees charged for instruction material and supplies ⁽²⁾	1,573,277	1,466,378
Other Fees	826,312	668,433
Total	\$ 2,834,490	\$ 2,529,038

⁽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 jurisdiction. They are not recorded on the statements of the Division.

	2013		2012	
Scholarship trusts	\$	47,509	\$	53,233
Student Health Initiative (Banker board)		350,271		271,022
Total	\$	397,780	\$	324,255

16. SCHOOL GENERATED FUNDS

	2013		2012	
School Generated Funds (Reserve), Beginning of Year	\$	1,105,545	\$	1,049,593
Gross Receipts:				
Fees		826,312		668,433
Fundraising		1,297,915		1,244,101
Gifts and donations		146,091		96,925
Grants to schools		-		-
Other sales and services		312,951		385,736
Total gross receipts		2,583,269		2,395,195
Disbursements:				
Total Related Expenses and Uses of Funds		384,478		272,653
Total Direct Costs Including Cost of Goods Sold to Raise Funds		2,240,320		2,066,590
School Generated Funds, End of Year	\$	1,064,016	\$	1,105,545
Balance included in Deferred Revenue	\$	-	\$	-
Balance included in Accumulated Surplus	\$	1,064,016	\$	1,105,545

17. RELATED PARTY TRANSACTIONS

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

	<u>Balances</u>		<u>Transactions</u>	
	<u>Financial Assets (at cost or net realizable value)</u>	<u>Liabilities (at amortized cost)</u>	<u>Revenues</u>	<u>Expenses</u>
Government of Alberta (GOA):				
Education				
Accounts receivable / Accounts payable	\$ 198,460	\$ 14,545	\$ 105,859,860	\$ -
Unexpended deferred capital revenue	-	166,959	-	-
Expended deferred capital revenue		82,010,120		
Other Alberta school jurisdictions	150	3,757	408	130,652
Treasury Board and Finance (Principal)		155,845		
Treasury Board and Finance (Accrued interest)		21,415		
Alberta Health Services	-	-	-	350
Post-secondary institutions	-	426	-	2,307
Human Services	-	-	-	4,161
Service Alberta	-	-	-	100
TOTAL 2012/2013	\$ 198,610	\$ 82,373,067	\$ 105,860,268	\$ 137,571
TOTAL 2011/2012	\$ 1,230,678	\$ 87,052,017	\$ 103,314,342	\$ 453,838

18. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The jurisdiction'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 Division had paid or accrued expenses for the year ended August 31, 2013 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	ERIP's / Other	Expenses
Chair - Richard Gilchrist	1.0	\$47,330	\$5,239		\$9,570
Ward 1 - Ron Heinrichs	1.0	39,452	1,810		9,789
Ward 2 - Kathleen Linder	1.0	36,267	5,423		8,758
Ward 4 - Irene Goebel	1.0	30,540	188		6,460
Ward 5 - Dorcas Kilduf	1.0	36,266	5,432		8,251
Ward 5 - Eric Cameron	1.0	37,323	5,429		8,733
Ward 6 - Elsie Kinsey	1.0	31,606	5,321		6,404
Subtotal	7.0	\$258,784	\$28,842		\$57,965
Superintendent - Timothy Monds	1.0	\$221,756	\$55,066	\$ -	\$29,524
Secretary-Treasurer Claire Jonsson	1.0	183,331	48,660	-	15,829
Certificated teachers	549.9	50,203,707	10,960,920	146,168	
Non-certificated - other	358.6	16,635,859	4,208,413	141,915	
TOTALS		\$67,503,437	\$15,301,901	\$288,083	

20. BUDGET AMOUNTS

The budget was prepared by the Division and approved by the Board of Trustees on May 29, 2012. 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 2012/2013 presentation.

22. PRIOR PERIOD ADJUSTMENTS

School Generated Funds (2013: \$1,064,016 and 2012: \$1,105,545) have been restated and disclosed to reflect the adoption of Alberta Education's disclosure policy and the adoption of PSAS accounting standards.