School Jurisdiction Code: **2125**

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]

THE ASPEN VIEW PUBLIC SCHOOL DIVISION NO. 78
Legal Name of School Jurisdiction

3600 - 48 AVENUE, ATHABASCA, ALBERTA T9S 1M8
Mailing Address

Phone: (780) 675-7080; FAX: (780) 675-3660
Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of THE ASPEN VIEW PUBLIC SCHOOL DIVISION NO. 78 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

Name	Signature
Paul Ponich	**"Original Signed"**

SUPERINTENDENT

Name	Signature
Brian LeMessurier	**"Original Signed"**

SECRETARY-TREASURER OR TREASURER

Name	Signature
Rodney Boyko	**"Original Signed"**

November 21, 2013
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: sarah.brennan@gov.ab.ca
PHONE: (780) 422-0312 (Toll free 310-0000) FAX: (780) 422-6996

School Jurisdiction Code: **2125**

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STATEMENTS OF FINANCIAL POSITION

As at (in dollars)

			August 31 2013	August 31 2012 (Restated)	September 1 2011
FINANCIAL ASSETS					
Cash and cash equivalents	(Note 4)		$2,641,877	$5,383,086	$2,255,274
Accounts receivable (net after allowances)	(Note 5)		$1,643,641	$1,084,166	$2,118,874
Portfolio investments	(Note 6)		$3,823,328	$4,009,789	$3,759,873
Other financial assets			$0	$0	$0
Total financial assets			$8,108,846	$10,477,041	$8,134,021
LIABILITIES					
Bank indebtedness	(Note 7)		$0	$0	$0
Accounts payable and accrued liabilities	(Note 8)		$1,722,978	$2,221,139	$2,294,699
Deferred revenue	(Note 9)		$22,010,511	$21,940,153	$18,371,560
Employee future benefit liabilities	(Note 10)		$538,551	$595,716	$641,680
Other liabilities			$0	$0	$0
Debt	(Note 11)				
Supported: Debentures and other supported debt			$366,574	$606,904	$899,898
Unsupported: Debentures and capital loans			$0	$0	$0
Capital leases			$495,915	$651,800	$826,995
Mortgages			$0	$0	$0
Total liabilities			$25,134,529	$26,015,712	$23,034,832
Net financial assets (debt)			($17,025,683)	($15,538,671)	($14,900,811)
NON-FINANCIAL ASSETS					
Tangible capital assets	(Note 12)				
Land			$330,335	$330,335	$330,335
Construction in progress			$0	$0	$0
Buildings		$47,289,823			
Less: Accumulated amortization		($23,836,711)	$23,453,112	$20,335,873	$19,046,254
Equipment		$2,132,364			
Less: Accumulated amortization		($1,334,176)	$798,188	$960,858	$1,005,040
Vehicles		$1,332,840			
Less: Accumulated amortization		($878,946)	$453,894	$575,126	$600,746
Computer Equipment		$158,110		$0	$0
Less: Accumulated amortization		($121,419)	$36,691	$44,031	$51,770
Total tangible capital assets			$25,072,220	$22,246,223	$21,034,145
Prepaid expenses			$90,746	$85,355	$75,109
Other non-financial assets			$0	$0	$0
Total non-financial assets			$25,162,966	$22,331,578	$21,109,254
Accumulated surplus	(Note 13)		$8,137,283	$6,792,907	$6,208,443
Accumulating surplus / (deficit) is comprised of:					
Accumulated operating surplus (deficit)			$8,272,783	$6,740,635	$6,208,443
Accumulated remeasurement gains (losses)			($135,500)	$52,272	$0
			$8,137,283	$6,792,907	$6,208,443
Contractual obligations	(Note 14)				
Contingent liabilities					

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

School Jurisdiction Code: **2125**

STATEMENTS OF OPERATIONS

For the Years Ended August 31 (in dollars)

		Budget 2013	Actual 2013	Actual 2012 (Restated)
REVENUES				
Alberta Education		$37,197,738	$36,573,756	$36,438,903
Other - Government of Alberta		$0	$777,847	$531,225
Federal Government and First Nations		$1,747,046	$2,145,713	$2,155,066
Other Alberta school authorities		$0	$117,986	$115,673
Out of province authorities		$0	$0	$0
Alberta Municipalities-special tax levies		$0	$0	$0
Property taxes		$0	$0	$0
Fees	(Note 15)	$196,500	$190,406	$193,351
Other sales and services		$218,207	$908,025	$1,034,944
Investment income		$200,000	$162,229	$156,010
Gifts and donations		$7,500	$0	$0
Rental of facilities		$54,400	$35,530	$33,105
Fundraising		$2,000,000	$2,379,549	$2,186,329
Gains (losses) on disposal of capital assets		$0	$0	$0
Other revenue		$329,421	$0	$0
Total revenues		$41,950,812	$43,291,041	$42,844,606
EXPENSES				
Instruction		$28,829,559	$27,669,227	$28,745,162
Plant operations and maintenance		$7,124,819	$5,580,557	$5,058,587
Transportation		$4,279,494	$4,031,322	$4,183,842
Administration		$2,074,974	$1,917,599	$1,947,064
External services		$0	$2,560,188	$2,391,547
Total expenses		$42,308,846	$41,758,893	$42,326,202
Operating surplus (deficit)		($358,034)	$1,532,148	$518,404

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

School Jurisdiction Code: **2125**

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

	2013	2012 (Restated)
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	$1,532,148	$518,404
Add (Deduct) items not affecting cash:		
Total amortization expense	$1,037,334	$892,434
Gains on disposal of tangible capital assets	$0	$0
Losses on disposal of tangible capital assets	$0	$0
Changes in:		
Accounts receivable	($559,475)	$1,034,708
Prepaids	($5,391)	($10,246)
Other financial assets	$0	$0
Non-financial assets	$0	$0
Accounts payable and accrued liabilities	($498,161)	($73,559)
Deferred revenue (Excluding EDCR)	$70,358	$3,568,593
Employee future benefit liabilitiies	($57,165)	($45,964)
Other (describe) Tangible capital asset holdbacks included in accounts payable	($437,785)	$0
Total cash flows from operating transactions	$1,081,863	$5,884,370
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	$0	$0
Buildings	($3,863,331)	($1,805,570)
Equipment	$0	($207,757)
Vehicles	$0	($91,185)
Computer equipment	$0	$0
Net proceeds from disposal of unsupported capital assets	$0	$0
Other (describe) Tangible capital asset holdbacks included in accounts payable	$437,785	$0
Total cash flows from capital transactions	($3,425,546)	($2,104,512)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	($57,856)	($183,856)
Remeasurement gains (losses) reclassified to the statement of operations	$56,545	$0
Other (describe)	$0	$0
Total cash flows from investing transactions	($1,311)	($183,856)
D. FINANCING TRANSACTIONS		
Issue of debt	$0	$0
Repayment of debt	($396,215)	($468,190)
Other (describe)	$0	$0
Total cash flows from financing transactions	($396,215)	($468,190)
Increase (decrease) in cash and cash equivalents	($2,741,209)	$3,127,812
Cash and cash equivalents, at beginning of year	$5,383,086	$2,255,274
Cash and cash equivalents, at end of year	$2,641,877	$5,383,086

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

School Jurisdiction Code: **2125**

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	$1,532,148	$518,404
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	($3,863,331)	($2,104,512)
Amortization of tangible capital assets	$1,037,334	$892,434
Net carrying value of tangible capital assets disposed of	$0	$0
Write-down carrying value of tangible capital assets	$0	$0
Total effect of changes in tangible capital assets	($2,825,997)	($1,212,078)
Changes in:		
Prepaid expenses	($5,391)	($10,246)
Other non-financial assets	$0	$0
Net remeasurement gains and (losses)	($187,772)	$66,060
Endowments	$0	$0
Increase (decrease) in net financial assets (net debt)	($1,487,012)	($637,860)
Net financial assets (net debt) at beginning of year	($15,538,671)	($14,900,811)
Net financial assets (net debt) at end of year	($17,025,683)	($15,538,671)

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

School Jurisdiction Code: **2125**

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	$52,272
Unrealized gains (losses) attributable to:	
Portfolio investments	($244,317)
Other	$0
Amounts reclassified to the statement of operations:	
Portfolio investments	$56,545
Other	$0
Net remeasurement gains (losses) for the year	($187,772)
Accumulated remeasurement gains (losses) at end of year	($135,500)

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

School Jurisdiction Code: 2125

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED TOTAL OPERATING RESERVES	INTERNALLY RESTRICTED TOTAL CAPITAL RESERVES
Balance at August 31, 2012	$6,792,907	$52,272	$6,740,635	$2,395,278	$0	$2,029,865	$1,754,075	$561,417
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
Adjusted Balance, Aug. 31, 2012	$6,792,907	$52,272	$6,740,635	$2,395,278	$0	$2,029,865	$1,754,075	$561,417
Operating surplus (deficit)	$1,532,148		$1,532,148			$1,532,148		
Board funded tangible capital asset additions				$481,947		($481,947)	$0	$0
Disposal of unsupported tangible capital assets	$0		$0	$0		$0		$0
Disposal of supported tangible capital assets (board funded portion)	$0		$0	$0		$0		$0
Write-down of unsupported tangible capital assets	$0		$0	$0		$0		$0
Write-down of supported tangible capital assets (board funded portion)	$0		$0	$0		$0		$0
Net remeasurement gains (losses) for the year	($187,772)	($187,772)						
Endowment expenses	$0		$0		$0			
Direct credits to accumulated surplus	$0		$0		$0	$0		
Amortization of tangible capital assets	$0			($1,037,334)		$1,037,334		
Capital revenue recognized	$0			$695,020		($695,020)		
Debt principal repayments (unsupported)	$0			$155,885		($155,885)		
Externally imposed endowment restrictions	$0				$0	$0	$0	
Net transfers to operating reserves	$0					($155,795)	$155,795	
Net transfers from operating reserves	$0					$0	$0	
Net transfers to capital reserves	$0					$0		$0
Net transfers from capital reserves	$0					$0		$0
Assumption/transfer of other operations' surplus	$0		$0	$0	$0	$0	$0	$0
Balance at August 31, 2013	$8,137,283	($135,500)	$8,272,783	$2,690,796	$0	$3,110,700	$1,909,870	$561,417

School Jurisdiction Code: **2125**

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		**Operations & Maintenance**		**Board & System Administration**		**Transportation**		**External Services**	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2012	$775,139	$561,417	$0	$0	$0	$0	$305,054	$0	$673,882	$0
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
Adjusted Balance, Aug. 31, 2012	$775,139	$561,417	$0	$0	$0	$0	$305,054	$0	$673,882	$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposal of unsupported tangible capital assets		$0		$0		$0		$0		$0
Disposal of supported tangible capital assets (board funded portion)		$0		$0		$0		$0		$0
Write-down of unsupported tangible capital assets		$0		$0		$0		$0		$0
Write-down of supported tangible capital assets (board funded portion)		$0		$0		$0		$0		$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	$0		$0		$0		$0		$0	
Net transfers to operating reserves	$0		$0		$0		$0		$155,795	
Net transfers from operating reserves	$0		$0		$0		$0		$0	
Net transfers to capital reserves		$0		$0		$0		$0		$0
Net transfers from capital reserves		$0		$0		$0		$0		$0
Assumption/transfer of other operations' surplus	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Balance at August 31, 2013	$775,139	$561,417	$0	$0	$0	$0	$305,054	$0	$829,677	$0

School Jurisdiction Code: 2125

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2011	$5,396,273	$0	$5,396,273	$2,168,901	$0	$1,829,290	$902,690	$495,392
Prior period adjustments:								
School generated funds	$568,642	$0	$568,642	$0	$0	$0	$568,642	$0
Deferred capital contributions	$66,025	$0	$66,025	$0	$0	$0	$0	$66,025
Deferred revenue	$177,503	$0	$177,503	$0	$0	$0	$177,503	$0
Accumulated remeasurement	$0	($13,788)	$13,788	$0	$0	$13,788	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0
	$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	$6,208,443	($13,788)	$6,222,231	$2,168,901	$0	$1,843,078	$1,648,835	$561,417
Operating surplus (deficit)	$518,404		$518,404			$518,404		
Board funded tangible capital asset additions				$472,249		($472,249)	$0	$0
Disposal of unsupported tangible capital assets	$0		$0	$0		$0		$0
Disposal of supported tangible capital assets (board funded portion)	$0		$0	$0		$0		$0
Write-down of unsupported tangible capital assets	$0		$0	$0		$0		$0
Write-down of supported tangible capital assets (board funded portion)	$0		$0	$0		$0		$0
Net remeasurement gains (losses) for the year	$66,060	$66,060						
Endowment expenses	$0		$0		$0			
Direct credits to accumulated surplus	$0		$0		$0	$0		
Amortization of tangible capital assets	$0			($892,434)		$892,434		
Capital revenue recognized	$0			$471,367		($471,367)		
Debt principal repayments (unsupported)	$0			$175,195		($175,195)		
Externally imposed endowment restrictions	$0				$0	$0	$0	
Net transfers to operating reserves	$0					($105,240)	$105,240	
Net transfers from operating reserves	$0					$0	$0	
Net transfers to capital reserves	$0					$0		$0
Net transfers from capital reserves	$0					$0		$0
Assumption/transfer of other operations' surplus	$0		$0	$0	$0	$0	$0	$0
Balance at August 31, 2012	$6,792,907	$52,272	$6,740,635	$2,395,278	$0	$2,029,865	$1,754,075	$561,417

School Jurisdiction Code: 2125

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2011	$597,636	$495,392	$0	$0	$0	$0	$305,054	$0	$0	$0
Prior period adjustments:										
School generated funds	$0	$0	$0	$0	$0	$0	$0	$0	$568,642	$0
Deferred capital contributions	$0	$66,025	$0	$0	$0	$0	$0	$0	$0	$0
Deferred revenue	$177,503	$0	$0	$0	$0	$0	$0	$0	$0	$0
Accumulated remeasurement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
	$0	$0	$0	$0	$0	$0	$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	$775,139	$561,417	$0	$0	$0	$0	$305,054	$0	$568,642	$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Disposal of unsupported tangible capital assets		$0		$0		$0		$0		$0
Disposal of supported tangible capital assets (board funded portion)		$0		$0		$0		$0		$0
Write-down of unsupported tangible capital assets		$0		$0		$0		$0		$0
Write-down of supported tangible capital assets (board funded portion)		$0		$0		$0		$0		$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	$0		$0		$0		$0		$0	
Net transfers to operating reserves	$0		$0		$0		$0		$105,240	
Net transfers from operating reserves	$0		$0		$0		$0		$0	
Net transfers to capital reserves		$0		$0		$0		$0		$0
Net transfers from capital reserves		$0		$0		$0		$0		$0
Assumption/transfer of other operations' surplus	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Balance at August 31, 2012	$775,139	$561,417	$0	$0	$0	$0	$305,054	$0	$673,882	$0

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	$2,372,308	$0	$125,000	$0	$19,199,147
Prior period adjustments	$0	$0	$0	$0	$0
Adjusted balance, August 31, 2012	$2,372,308	$0	$125,000	$0	$19,199,147
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	$0				
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	$1,000,000				
Unexpended capital revenue receivable from other than Alberta Education	$0			$0	
Interest earned on unexpended capital revenue	$9,076	$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	($3,381,384)	$0	$0	$0	$3,381,384
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					$695,020
Balance at August 31, 2013	$0	$0	$125,000	$0	$21,885,511
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				$125,000	

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. 181/2010
(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

2125

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	$0	$0	$191,025	$0	$17,138,348
Prior period adjustments	$0	$0	($66,025)	$0	$899,898
Adjusted balance, August 31, 2011	$0	$0	$125,000	$0	$18,038,246
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	$4,000,000				
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	$4,576	$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	($1,632,268)	$0	$0	$0	$1,632,268
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					$471,367
Balance at August 31, 2012	$2,372,308	$0	$125,000	$0	$19,199,147
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				$2,497,308	

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. 181/2010
(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

School Jurisdiction Code: **2125**

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2013 (in dollars)

REVENUES	2013 Instruction (ECS- Grade 12)	2013 Plant Operations and Maintenance	2013 Transportation	2013 Board & System Administration	2013 External Services	2013 TOTAL	2012 (Restated) TOTAL
(1) Alberta Education	$26,705,344	$4,100,842	$4,129,982	$1,637,588	$0	$36,573,756	$36,438,903
(2) Other - Government of Alberta	$0	$777,847	$0	$0	$0	$777,847	$531,225
(3) Federal Government and First Nations	$1,804,429	$246,155	$0	$95,129	$0	$2,145,713	$2,155,066
(4) Other Alberta school authorities	$117,986	$0	$0	$0	$0	$117,986	$115,673
(5) Out of province authorities	$0	$0	$0	$0	$0	$0	$0
(6) Alberta Municipalities-special tax levies	$0	$0	$0	$0	$0	$0	$0
(7) Property Taxes	$0	$0	$0	$0	$0	$0	$0
(8) Fees	$190,406		$0		$0	$190,406	$193,351
(9) Other sales and services	$451,153	$31,116	$3,150	$22,653	$399,953	$908,025	$1,034,944
(10) Investment income	$0	$0	$0	$162,229	$0	$162,229	$156,010
(11) Gifts and donations	$0	$0	$0	$0	$0	$0	$0
(12) Rental of facilities	$0	$35,530	$0	$0	$0	$35,530	$33,105
(13) Fundraising	$63,519	$0	$0	$0	$2,316,030	$2,379,549	$2,186,329
(14) Gains on disposal of tangible capital assets	$0	$0	$0	$0	$0	$0	$0
(15) Other revenue	$0	$0	$0	$0	$0	$0	$0
(16) TOTAL REVENUES	$29,332,837	$5,191,490	$4,133,132	$1,917,599	$2,715,983	$43,291,041	$42,844,606
EXPENSES							
(17) Certificated salaries	$15,949,802			$432,747	$0	$16,382,549	$16,490,785
(18) Certificated benefits	$3,503,654			$39,322	$0	$3,542,976	$3,384,263
(19) Non-certificated salaries and wages	$4,402,899	$1,787,460	$105,943	$542,676	$0	$6,838,978	$7,467,073
(20) Non-certificated benefits	$1,061,271	$434,159	$26,047	$134,704	$0	$1,656,181	$1,751,542
(21) SUB - TOTAL	$24,917,626	$2,221,619	$131,990	$1,149,449	$0	$28,420,684	$29,093,663
(22) Services, contracts and supplies	$2,510,748	$2,501,449	$3,894,822	$696,002	$2,560,188	$12,163,209	$12,224,580
(23) Amortization of supported tangible capital assets	$0	$695,020	$0	$0	$0	$695,020	$471,367
(24) Amortization of unsupported tangible capital assets	$229,099	$79,642	$3,670	$29,903	$0	$342,314	$421,067
(25) Supported interest on capital debt	$0	$82,827	$0	$0	$0	$82,827	$59,858
(26) Unsupported interest on capital debt	$0	$0	$0	$0	$0	$0	$0
(27) Other interest and finance charges	$11,754	$0	$840	$42,245	$0	$54,839	$55,667
(28) Losses on disposal of tangible capital assets	$0	$0	$0	$0	$0	$0	$0
(29) Other expense	$0	$0	$0	$0	$0	$0	$0
(30) TOTAL EXPENSES	$27,669,227	$5,580,557	$4,031,322	$1,917,599	$2,560,188	$41,758,893	$42,326,202
(31) OPERATING SURPLUS (DEFICIT)	$1,663,610	($389,067)	$101,810	$0	$155,795	$1,532,148	$518,404

Independent Auditor's Report

To the Board of Trustees,
The Aspen View Public School Division No. 78

We have audited the accompanying financial statements of The Aspen View Public School Division No. 78 which comprise the statement of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, the statements of operations, cash flows, change in net financial debt, remeasurement gains and losses, the schedules of changes in accumulated surplus, capital revenue and program operations for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Aspen View Public School Division No. 78 as at the years ended August 31, 2013, August 31, 2012 and September 1, 2011 and the results of its operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

King + Company

Edmonton, AB
November 21, 2013

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. This School Division is exempt from payment of income tax and is a registered charity under the Income Tax Act.

The School Division 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 Division is limited on certain funding allocations and administration expenses.

Effective February 21, 2013, the School Division changed its name from Aspen View Regional Division No. 19 to The Aspen View Public School Division No. 78.

2. CONVERSION TO CANADIAN 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.

The School Division has elected to use the following exemptions in accordance with CPA PSA Handbook Section 2125:

- Retirement and post-employment benefits:

  (1) The School Division has elected to delay application of the discount rate equal to the cost of borrowing until the next actuarial valuation scheduled which will take place by August 31, 2016 as required under Sections PS 3250.044 and 3255;

  (2) The School Division has elected to recognize all cumulative actuarial gains and losses at September 1, 2011 (the date of transition to PSA standards) directly in accumulated surplus per Section PS 2125.10; and

- Tangible capital asset impairment:

  (1) The School Division has elected to apply Section PS 3150.31 on a prospective basis from the date of transition per Section PS 2125.14.

Key adjustments to the School Division's financial statements resulting from the adoption of these accounting standards are as follows:

- The School Division reclassified deferred revenue to accumulated surplus for amounts that did not meet the requirement for deferral under PSA.

2. CONVERSION TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS *(continued)*

As a result of the adoption of PSA, comparative information has been restated as follows:

(a) Reconciliation of opening Statement of Financial Position

		September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS				
Cash and cash equivalents / Cash and temporary investments		$6,015,147	($3,759,873)	$2,255,274
Accounts receivable (net after allowances)		$1,218,976	$899,898	$2,118,874
Portfolio investments / Long term investments		$0	$3,759,873	$3,759,873
Total financial assets		$7,234,123	$899,898	$8,134,021
LIABILITIES				
Accounts payable and accrued liabilities		$2,515,379	($220,680)	$2,294,699
Deferred revenue		$954,457	$17,417,103	$18,371,560
Deferred capital allocations		$191,025	($191,025)	
Employee future benefit liabilities		$421,000	$220,680	$641,680
Long term debt				
Supported:	Debentures and other supported debt	$899,898	$0	$899,898
Unsupported:	Capital leases	$826,995	$0	$826,995
Unamortized capital allocations		$17,138,350	($17,138,350)	
Total liabilities		$22,947,104	$87,728	$23,034,832
Net Debt		($15,712,981)	$812,170	($14,900,811)
NON-FINANCIAL ASSETS				
Tangible capital assets				
Land		$330,335	$0	$330,335
Buildings		$41,620,920	$0	$41,620,920
Less: Accumulated amortization		($22,574,666)	$0	($22,574,666)
Equipment		$2,845,830	($158,110)	$2,687,720
Less: Accumulated amortization		($1,789,020)	$106,340	($1,682,680)
Vehicles		$1,241,655	$0	$1,241,655
Less: Accumulated amortization		($640,909)	$0	($640,909)
Computer Equipment			$158,110	$158,110
Less: Accumulated amortization			($106,340)	($106,340)
Total tangible capital assets		$21,034,145	$0	$21,034,145
Prepaid expenses		$75,109	$0	$75,109
Total non-financial assets		$21,109,254	$0	$21,109,254
Total accumulated surplus		$5,396,273	$812,170	$6,208,443
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)		$5,396,273	$839,748	$6,222,232
Accumulated remeasurement gains (losses)			($13,789)	($13,789)
		$5,396,273	$812,170	$6,208,443

2. CONVERSION TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS *(continued)*

(b) Reconciliation of Statement of Financial Position

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	$9,392,875	($4,009,789)	$5,383,086
Accounts receivable (net after allowances)	$477,263	$606,903	$1,084,166
Portfolio investments / Long term investments	$0	$4,009,789	$4,009,789
Total financial assets	$9,870,138	$606,903	$10,477,041
LIABILITIES			
Accounts payable and accrued liabilities	$2,382,340	($161,201)	$2,221,139
Deferred revenue	$1,264,400	$20,675,753	$21,940,153
Deferred capital allocations	$2,563,332	($2,563,332)	
Employee future benefit liabilities	$434,515	$161,201	$595,716
Long term debt			
Supported: Debentures and other supported debt	$606,904	$0	$606,904
Unsupported: Capital leases	$651,800	$0	$651,800
Unamortized capital allocations	$18,592,243	($18,592,243)	
Total liabilities	$26,495,534	($479,822)	$26,015,712
Net Debt	($16,625,396)	$1,086,725	($15,538,671)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	$330,335	$0	$330,335
Buildings	$43,426,494	$0	$43,426,494
Less: Accumulated amortization	($23,090,621)	$0	($23,090,621)
Equipment	$2,290,473	($158,110)	$2,132,363
Less: Accumulated amortization	($1,285,584)	$114,079	($1,171,505)
Vehicles	$1,332,840	$0	$1,332,840
Less: Accumulated amortization	($757,714)	$0	($757,714)
Computer Equipment		$158,110	$158,110
Less: Accumulated amortization		($114,079)	($114,079)
Total tangible capital assets	$22,246,223	$0	$22,246,223
Prepaid expenses	$85,355	$0	$85,355
Total non-financial assets	$22,331,578	$0	$22,331,578
Total accumulated surplus	$5,706,182	$1,086,725	$6,792,907
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	$5,706,182	$982,181	$6,740,635
Accumulated remeasurement gains (losses)		$52,272	$52,272
	$5,706,182	$1,086,725	$6,792,907

2. CONVERSION TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS *(continued)*

(c) Reconciliation of Statement of Operations

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	$36,329,444	$109,459	$36,438,903
Other - Government of Alberta	$0	$531,225	$531,225
Federal Government and First Nations	$2,155,066	$0	$2,155,066
Other Alberta school authorities	$115,673	$0	$115,673
Fees	$193,351	$0	$193,351
Other sales and services	$1,034,944	$0	$1,034,944
Investment income	$156,010	$0	$156,010
Rental of facilities	$33,105	$0	$33,105
Fundraising	$2,081,094	$105,235	$2,186,329
Amortization of capital contributions	$471,367	($471,367)	
Total Revenues	$42,570,054	$274,552	$42,844,606
EXPENSES			
Instruction	$28,745,162		$28,745,162
Plant operations and maintenance	$5,058,587		$5,058,587
Transportation	$4,183,842		$4,183,842
Administration	$1,947,064		$1,947,064
External services	$2,391,547		$2,391,547
Total Expenses	$42,326,202	$0	$42,326,202
Operating surplus (deficit)	$243,852	$274,552	$518,404

THE ASPEN VIEW PUBLIC SCHOOL DIVISION NO. 78

Notes to the Financial Statements
For the Year Ended August 31, 2013

2. CONVERSION TO CANADIAN PUBLIC SECTOR ACCOUNTING STANDARDS *(continued)*

(d) Reconciliation of the Schedule of Expenses by Object

EXPENSES	August 31, 2012 Not-for-Profit	Adjustments	August 31, 2012 PSAS
Certificated salaries	$16,490,785	$0	$16,490,785
Certificated benefits	$3,384,263	$0	$3,384,263
Non-certificated salaries and wages	$7,467,073	$0	$7,467,073
Non-certificated benefits	$1,751,542	$0	$1,751,542
SUB - TOTAL	$29,093,663	$0	$29,093,663
Services, contracts and supplies	$12,224,579	$0	$12,224,579
Amortization of supported tangible capital assets	$471,367	$0	$471,367
Amortization of unsupported tangible capital assets	$421,067	$0	$421,067
Supported interest on capital debt	$59,858	$0	$59,858
Other interest and finance charges	$55,668	$0	$55,668
TOTAL EXPENSES	$42,326,202	$0	$42,326,202

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the PSA. The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Cash and Cash Equivalents

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

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

The School Division has investments in GIC’s, fixed income securities and equity instruments that have no maturity dates or have a maturity of greater than 3 months. GIC’s not quoted in an active market are reported at cost or amortized cost.

Portfolio investments in fixed income securities and equity instruments that are quoted in an active market are recorded at fair value and the associated transaction costs are expensed upon initial recognition. The change in the fair value is recognized in the Statement of Remeasurement Gains and Losses as a remeasurement gain or loss until the portfolio investments are derecognized. Upon derecognition, the accumulated remeasurement gains or losses associated with the derecognized portfolio investments are reversed and reclassified to the Statement of Operations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment is defined as a loss in value of a portfolio investment that is other than a temporary decline and is included in the Statement of Operations. In the case of an item in the fair value category, a reversal of any net remeasurement gains recognized in previous reporting periods up to the amount of the write-down is reported in the Statement of Remeasurement Gains and Losses. A subsequent increase in value would be recognized on the Statement of Remeasurement Gains and Losses and realized on the Statement of Operations only when sold.

Detailed information regarding portfolio investments is disclosed in Note 6.

d) <u>Tangible Capital Assets</u>

The following criteria applies:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the School 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.
- Leases that, from the point of view of the lessee, transfer substantially all the benefits and risks incident to ownership of the property to the Board are considered capital leases. These are accounted for as an asset and an obligation. Capital lease obligations are recorded at the present value of the minimum lease payments excluding executor costs, e.g., insurance, maintenance costs, etc. The discount rate used to determine the present value of the lease payments is the lower of the School Division’s rate for incremental borrowing or the interest rate implicit in the lease. A schedule of repayments and amount of interest on the leases is provided in Note 11.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 5%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20% to 25%
Other Equipment & Furnishings	5% to 20%

e) Deferred Revenue

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

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

- **Unexpended Deferred Capital Revenue**

  Unexpended Deferred Capital Revenue represent externally restricted supported capital funds provided for a specific capital purpose received or receivable by the School Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PSA 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 School 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 including vested and non-vested benefits for certain employees pursuant to certain contracts and union agreements.

The School Division accrues its obligations and related costs including both vested and non-vested benefits under employee future benefit plans. Benefits include defined-benefit retirement plans, vested and accumulating sick leave and early retirement. The future benefits cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

g) Asset Retirement Obligations

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

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

Contributions with stipulations are recognized as revenue in the period 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 *PSA PS 3200.* Such liabilities are recorded as deferred revenue. The following items fall under this category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

- 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 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 School Division is included in both revenues and expenses. For the school year ended August 31, 2013, the amount contributed by the Government was $1,733,312 (2012 - $1,613,322).

The School Division 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 $651,110 for the year ended August 31, 2013 (2012 - $665,846). 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).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

l) Program Reporting

The School 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) Financial Instruments

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

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

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to the effective date of September 1, 2012 specified are not reversed and, therefore, the financial statements of prior periods, including the comparative information, have not been restated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

n) 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

	2013			2012
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash		$ 2,641,877	$ 2,641,877	$ 5,383,086
Cash equivalents		$ -	$ -	$ -
Total cash and cash equivalents		$ 2,641,877	$ 2,641,877	$ 5,383,086

The School Division has invested surplus funds in accordance with Section 60(2)(d) of the *School Act.*

5. ACCOUNTS RECEIVABLE

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	$ -	$ -	$ -	$ 41,111
Alberta Education - Capital	1,000,000	-	1,000,000	-
Alberta Finance - Supported debentures	394,581	-	394,581	652,641
Other Alberta school jurisdictions	19,665	-	19,665	9,639
Other Government of Alberta ministries	-	-	-	4,800
Federal government	175,679	-	175,679	168,094
Other	53,716	-	53,716	207,881
Total	$ 1,643,641	$ -	$ 1,643,641	$ 1,084,166

6. PORTFOLIO INVESTMENTS

	2013				
	Average Effective (Market) Yield	Cost	Fair Value	Balance	2012 Balance
Guranteed interest certificates	1.07%	271,290	271,290	271,290	369,000
Fixed income securities					
Pooled investment funds	%	3,075,731	2,974,546	2,974,546	3,640,789
Total fixed income securities	%	3,075,731	2,974,546	2,974,546	3,640,789
Equities					
Canadian	%	611,807	577,492	577,492	-
Total equities	%	611,807	577,492	577,492	-
Total portfolio investments		$3,958,828	$3,823,328	$3,823,328	$4,009,789

7. BANK INDEBTEDNESS

The School Division has negotiated a line of credit in the amount of $800,000 that bears interest at bank prime less 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2013 (2012 – nil).

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Notes to the Financial Statements
For the Year Ended August 31, 2013

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Other Alberta school jurisdictions	1,875	-
Alberta Capital Finance Authority (Interest on long-term debt)	28,007	45,738
Other Government of Alberta ministries	-	3,024
Federal government	-	435,648
Other interest on long-term debt	14,692	19,310
Salaries & benefit costs	599,609	730,744
Other trade payables and accrued liabilities	1,078,795	986,675
Total	$ 1,722,978	$ 2,221,139

9. 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)	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue				
Alberta Education:				
Alberta Initiative for School Improvement	$ 125,990	$ 122,281	$ (248,271)	$ -
Infrastructure Maintenance Renewal	117,708	642,489	(760,197)	-
Total unexpended deferred operating revenue	$ 243,698	$ 764,770	$ (1,008,468)	$ -
Unexpended deferred capital revenue	2,497,308	1,009,076	(3,381,384)	125,000
Expended deferred capital revenue	19,199,147	3,381,384	(695,020)	21,885,511
Total	$ 21,940,153	$ 5,155,230	$ (5,084,872)	$ 22,010,511

10. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2013	2012
Defined benefit pension plan liability	$ 103,344	$ 101,202
Accumulated sick pay liability	405,207	434,514
Retirement allowances	30,000	60,000
Total	$ 538,551	$ 595,716

11. DEBT

	2013	2012
Debentures outstanding at August 31, 2013. The terms of the debentures are 20 years, payments made annually.	$ 366,574	$ 606,904
Capital lease obligation, due August 31, 2016, equipment with a net book value of $385,374 pledged as collateral	495,915	651,800
Total	$ 862,489	$ 1,258,704

11. DEBT *(continued)*

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8% and 9.63%. The debenture debt is fully supported by Alberta Finance. Debentures mature in 2015 and the payments due over the next two years are as follows:

	Principal	Interest	Total
2013-2014	$ 237,903	$ 33,474	$ 271,377
2014-2015	128,671	12,356	141,027
Total	$ 366,574	$ 45,830	$ 412,404

Unsupported Debt – Capital Lease

Capital leases are approved by the Minister of Education but are funded by the School Division. Capital leases are secured by specifically identified assets in Note 12. Effective September 1, 2011, the Division entered into a five-year capital lease obligation for the lease of photocopiers which expires August 31, 2016. The annual payments of $253,000 plus GST consist of the following components: annual copy charge of $77,805 (based on 7,500,000 black and white copies plus 134,000 colour copies and a blended capital lease payment of $175,195 bearing interest at 2.96%. Capital lease payments due over the next three years are as follows:

	Total
2013-2014	$ 175,195
2014-2015	175,195
2015-2016	175,195
Total Payments	525,585
Less amount representing interest	-29,670
Total	$ 495,915

12. TANGIBLE CAPITAL ASSETS

	August 31, 2013					
	Land	Buildings	Equipment	Vehicles & Buses	Computer Hardware & Software	Total
Estimated useful life		10-40 Years	5-10 Years	3-10 Years	3-5 Years	
Historical cost						
Beginning of year	$ 330,335	$ 43,426,492	$ 2,132,364	$ 1,332,840	$ 158,110	$ 47,380,141
Additions	$ -	$ 3,863,331	$ -	$ -	$ -	$ 3,863,331
Transfers in (out)	$ -	$ -	$ -	$ -	$ -	$ -
Less disposals including write-offs	$ -	$ -	$ -	$ -	$ -	$ -
	$ 330,335	$ 47,289,823	$ 2,132,364	$ 1,332,840	$ 158,110	$ 51,243,472
Accumulated amortization						
Beginning of year	$ -	$ 23,090,619	$ 1,171,506	$ 757,714	$ 114,079	$ 25,133,918
Additions	$ -	$ 746,092	$ 162,670	$ 121,232	$ 7,340	$ 1,037,334
Transfers in (out)	$ -	$ -	$ -	$ -	$ -	$ -
Less disposals including write-offs	$ -	$ -	$ -	$ -	$ -	$ -
	$ -	$ 23,836,711	$ 1,334,176	$ 878,946	$ 121,419	$ 26,171,252
Net Book Value at End of Year	$ 330,335	$ 23,453,112	$ 798,188	$ 453,894	$ 36,691	$ 25,072,220

	August 31, 2012					
	Land	Buildings	Equipment	Vehicles & Buses	Computer Hardware & Software	Total
Estimated useful life		10-40 Years	5-10 Years	3-10 Years	3-5 Years	
Historical cost						
Beginning of year	$ 330,335	$ 41,620,919	$ 2,687,720	$ 1,241,656	$ 158,110	$ 46,038,740
Additions	$ -	$ 1,805,573	$ 207,755	$ 91,184	$ -	$ 2,104,512
Transfers in (out)	$ -	$ -	$ -	$ -	$ -	$ -
Less disposals including write-offs	$ -	$ -	$ (763,111)	$ -	$ -	$ (763,111)
	$ 330,335	$ 43,426,492	$ 2,132,364	$ 1,332,840	$ 158,110	$ 47,380,141
Accumulated amortization						
Beginning of year	$ -	$ 22,574,666	$ 1,682,281	$ 640,909	$ 106,739	$ 25,004,595
Additions	$ -	$ 515,953	$ 252,336	$ 116,805	$ 7,340	$ 892,434
Transfers in (out)	$ -	$ -	$ -	$ -	$ -	$ -
Less disposals including write-offs	$ -	$ -	$ (763,111)	$ -	$ -	$ (763,111)
	$ -	$ 23,090,619	$ 1,171,506	$ 757,714	$ 114,079	$ 25,133,918
Net Book Value at End of Year	$ 330,335	$ 20,335,873	$ 960,858	$ 575,126	$ 44,031	$ 22,246,223

The cost of equipment under capital lease is $1,139,270 (2012 - $1,139,270) with a total amortization of $753,697 (2012 - $625,439).

Buildings includes modernization in progress of a school for $5,495,599 (2012 - $1,632,268) which has not been amortized because the modernization was not completed by August 31, 2013. The modernization will be completed by August 31, 2014.

13. ACCUMULATED SURPLUS

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

	2013	2012
Unrestricted surplus	$ 3,110,700	$ 2,029,865
Operating reserves	1,909,870	1,754,075
Accumulated surplus from operations	5,020,570	3,783,940
Investment in tangible capital assets	2,690,796	2,395,278
Capital reserves	561,417	561,417
Accumulated remeasurement gains (losses)	(135,500)	52,272
Accumulated surplus	$ 8,137,283	$ 6,792,907

The School Division has recorded a provision for employee future benefits. Since this provision is not required to be funded by current operations, accumulated surplus is adjusted as follows:

	2013	2012
Accumulated surplus from operations	$ 5,020,570	$ 3,783,940
Employee future benefits	538,551	595,716
Adjusted accumulated surplus [1]	$ 5,559,121	$ 4,379,656

(1) Adjusted accumulated surplus represents unspent funding available to support the School Division's operations for the 2013-2014 year.

14. CONTRACTUAL OBLIGATIONS

Operating Lease

The School Division current operating lease on office premises expires in June 30, 2024. The annual lease cost incurred in 2012-2013 was $65,000. The rent will be adjusted annually (on the first day of July) by an amount equal to the lessee's proportionate share of operating costs of the previous year.

15. FEES

	2013	2012
Transportation fees [1]	$ -	$ -
Fees charged for instruction material and supplies [2]	190,406	193,351
Other fees	-	-
Total	$ 190,406	$ 193,351

[1] Charged under School Act, Section 51 (3)
[2] Charged under School Act, Section 60 (2) (j)

16. RESTRICTIONS ON NET ASSETS

The Board of Trustees have internally restricted unrestricted net assets for internal activities which are expected to be carried on by the Education Region itself. These internally restricted amounts are not available for other purposes without the approval of the Board of Trustees.

17. SCHOOL GENERATED FUNDS

	2013	2012
School Generated Revenue, Beginning of Year	$ 673,883	$ 568,642
Gross Receipts:		
Fees	163,416	157,645
Fundraising	2,152,615	1,890,608
Gifts and donations	63,519	68,346
Grants to schools	-	-
Other sales and services	399,953	379,000
Total gross receipts	2,779,503	2,495,599
Total Related Expenses and Uses of Funds	391,600	303,173
Total Direct Costs Including Cost of Goods Sold to Raise Funds	2,232,109	2,087,185
School Generated Revenues, End of Year	$ 829,677	$ 673,883
Balance included in Deferred Revenue	$ -	$ -
Balance included in Accumulated Surplus	$ 829,677	$ 673,883

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Notes to the Financial Statements
For the Year Ended August 31, 2013

18. RELATED PARTY TRANSACTIONS

As of the 2005/2006 fiscal year, Alberta Treasury Board has determined that School Divisions are controlled by the Government of Alberta. Accordingly, all related parties of the Government of Alberta are now considered related parties of the School Division. These include government departments, health authorities, post-secondary institutions, and other school jurisdictions in Alberta. The related party transactions are recorded on the Statement of Operations and the Statement of Financial Position at the exchange amount, which is the amount of consideration established and agreed to by the related parties, as follows:

	Balances		Transactions	
	Financial Assets (at cost or net realizable	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education	$ -	$ -	$ 36,573,756	$ -
Accounts receivable / Accounts payable	1,001,722	-	-	-
Other Alberta school jurisdictions	19,664	1,875	117,986	-
Treasury Board and Finance (Principal)	366,574	366,574		
Treasury Board and Finance (Accrued interest)	28,007	28,007		
Treasury Board and Finance	-	-	777,847	82,827
TOTAL 2012/2013	$ 1,415,967	$ 396,456	$ 37,469,589	$ 82,827
TOTAL 2011/2012	$ 102,422	$ 3,024,951	$ 36,548,372	$ 59,858

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

THE ASPEN VIEW PUBLIC SCHOOL DIVISION NO. 78

Notes to the Financial Statements
For the Year Ended August 31, 2013

20. REMUNERATION AND MONETARY INCENTIVES

The School 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 described as follows:

Board Members:	FTE	Remuneration	Benefits	Expenses
Chair				
Brian Bittorf	1.0	$19,371	$2,612	$10,722
Other members				
Penny Fehr	1.0	$12,665	$4,058	$10,480
Dennis MacNeil	1.0	$9,476	$3,948	$8,419
Edgar Koehler	1.0	$9,559	$4,047	$9,675
Wes Kowalchuk	1.0	$13,755	$413	$9,634
Paul Ponich	1.0	$17,565	$17	$13,232
Robert Rohatynchuk	1.0	$10,402	$1,705	$8,575
Randy Uglanica	1.0	$17,114	$4,154	$12,055
Subtotal	*8.0*	*$109,907*	*$20,954*	*$82,792*
Superintendent	1.0	$154,177	$12,368	$8,976
Secretary/Treasurer (1)	1.0	$111,377	$8,438	$1,087
Secretary/Treasurer (2)	0.3	$28,750	$7,688	$1,851
Certificated teachers	190.2	$16,228,372	$3,530,608	
Non-certificated - other	150.8	$6,698,851	$1,640,055	
TOTALS		**$23,331,434**	**$5,220,111**	

21. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on May 3, 2012. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2012/2013 presentation.