

**Fort McMurray Public
School District No. 2833
Financial Statements**
August 31, 2014

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

Fort McMurray Public School District No. 2833

Legal Name of School Jurisdiction

231 Hardin Street, Fort McMurray, AB T9H 2G2

Mailing Address

Phone: 780-799-7905 Fax: 780-743-2655 Email: Allan.Kallal@fmpsds.ab.ca

Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Fort McMurray Public School District No. 2833 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with Canadian Public Sector Accounting Standards and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chair

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

BOARD CHAIR

Jeff Thompson
Name


Signature

SUPERINTENDENT

Douglas Nicholls
Name


Signature

SECRETARY-TREASURER OR TREASURER

Allan Kallal
Name


Signature


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) 422-6986

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Independent Auditors' Report

To the Board of Trustees of the Fort McMurray Public School District No. 2833

We have audited the accompanying financial statements of the Fort McMurray Public School District No. 2833, which comprise the statement of financial position as at August 31, 2014, and the statements of operations, cash flows, change in net debt and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue, program operations and plant operations and maintenance expenses for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal 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.

Auditors' 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 auditors' 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 Fort McMurray Public School District No. 2833 as at August 31, 2014 and the results of its operations, cash flows and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.

December 17, 2014
Fort McMurray, Alberta

MNP LLP

Chartered Accountants

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

		2014	2013
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 9,979,665	\$ 8,224,286
Accounts receivable (net after allowances)	(Note 4)	\$ 1,075,344	\$ 6,686,578
Portfolio investments	(Note 5)	\$ 7,880,998	\$ 2,844,981
Other financial assets		\$ -	\$ -
Total financial assets		\$ 18,936,007	\$ 17,755,825
LIABILITIES			
Bank indebtedness	(Note 6)	\$ -	\$ -
Accounts payable and accrued liabilities	(Note 7)	\$ 3,760,676	\$ 3,400,147
Deferred revenue	(Note 8)	\$ 99,369,821	\$ 90,017,603
Employee future benefit liabilities		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ -
Mortgages		\$ -	\$ -
Total liabilities		\$ 103,130,497	\$ 93,417,750
Net financial assets (debt)		\$ (84,194,490)	\$ (75,661,925)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 9)		
Land		\$ 4,071,454	\$ 4,071,454
Construction in progress		\$ 23,832,671	\$ 11,486,531
Buildings	\$ 125,784,536		
Less: Accumulated amortization	\$ (58,346,899)	\$ 67,437,637	\$ 71,607,822
Equipment	\$ 11,314,655		
Less: Accumulated amortization	\$ (9,097,739)	\$ 2,216,916	\$ 2,441,247
Vehicles	\$ 507,591		
Less: Accumulated amortization	\$ (426,196)	\$ 81,395	\$ 136,343
Computer Equipment	\$ 837,966		
Less: Accumulated amortization	\$ (327,779)	\$ 510,187	\$ 92,231
Total tangible capital assets		\$ 98,150,260	\$ 89,835,628
Prepaid expenses		\$ 427,119	\$ 612,208
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 98,577,379	\$ 90,447,836
Accumulated surplus	(Note 10)	\$ 14,382,889	\$ 14,785,911
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 14,382,889	\$ 14,785,911
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 14,382,889	\$ 14,785,911
Contractual obligations	(Note 11)		
Contingent liabilities	(Note 12)		

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

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

	Budget 2014	Actual 2014	Actual 2013
REVENUES			
Alberta Education	\$ 72,650,572	\$ 73,931,988	\$ 71,341,741
Other - Government of Alberta	\$ 418,100	\$ 1,183,792	\$ 1,197,837
Federal Government and First Nations	\$ 318,900	\$ 70,592	\$ 122,780
Other Alberta school authorities	\$ -	\$ 1,524	\$ 938
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 13)	\$ 1,173,552	\$ 2,102,467	\$ 2,221,832
Other sales and services	\$ 359,292	\$ 344,177	\$ 445,739
Investment income	\$ 85,000	\$ 174,508	\$ 186,666
Gifts and donations	\$ 250,000	\$ 453,229	\$ 651,864
Rental of facilities	\$ 1,145,000	\$ 1,173,038	\$ 966,754
Fundraising	\$ 1,597,140	\$ 1,072,897	\$ 1,228,904
Gains on disposal of capital assets	\$ -	\$ 950	\$ 5,000
Other revenue	\$ 493,004	\$ 864,371	\$ -
Total revenues	\$ 78,490,560	\$ 81,373,311	\$ 78,349,855
EXPENSES			
Instruction (ECS - Grade 12)	\$ 62,005,086	\$ 63,951,659	\$ 61,744,277
Plant operations and maintenance	\$ 12,607,265	\$ 12,683,528	\$ 12,258,016
Transportation	\$ 2,228,200	\$ 2,168,226	\$ 2,128,524
Board & system administration	\$ 3,585,847	\$ 2,776,774	\$ 3,248,860
External services	\$ -	\$ 196,146	\$ 159,652
Total expenses	\$ 80,426,398	\$ 81,776,333	\$ 79,539,329
Operating surplus (deficit)	\$ (1,935,838)	\$ (403,022)	\$ (1,189,474)

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

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

	2014	2013 (Restated)
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (403,022)	\$ (1,189,474)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 5,256,890	\$ 5,214,665
Gains on disposal of tangible capital assets	\$ (950)	\$ (5,000)
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (4,633,500)	\$ (4,616,928)
Deferred capital revenue write-off	\$ -	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ 5,611,234	\$ (4,267,148)
Prepays	\$ 185,089	\$ 162,838
Other financial assets	\$ -	\$ 350,000
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ 360,529	\$ (349,172)
Deferred revenue (excluding EDCR)	\$ 1,675,997	\$ 4,819,008
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ 8,052,267	\$ 118,789
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ (257,861)	\$ (695,453)
Equipment	\$ (518,944)	\$ (74,750)
Vehicles	\$ (18,212)	\$ (64,780)
Computer equipment	\$ (466,784)	\$ (35,256)
Net proceeds from disposal of unsupported capital assets	\$ 950	\$ 26,249
Other (describe)	\$ -	\$ -
Total cash flows from capital transactions	\$ (1,260,851)	\$ (843,990)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ (5,036,017)	\$ (31,808)
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ (5,036,017)	\$ (31,808)
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ -	\$ -
Increase (decrease) in cash and cash equivalents	\$ 1,755,399	\$ (757,009)
Cash and cash equivalents, at beginning of year	\$ 8,224,266	\$ 8,981,275
Cash and cash equivalents, at end of year	\$ 9,979,665	\$ 8,224,266

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

STATEMENT OF CHANGE IN NET DEBT

For the Year Ended August 31, 2014

	Budget 2014	2014	2013
Operating surplus (deficit)	\$ (1,935,838)	\$ (403,022)	\$ (1,189,474)
Effect of changes in tangible capital assets			
Acquisition of tangible capital assets	\$ (300,000)	\$ (13,571,522)	\$ (10,368,589)
Amortization of tangible capital assets	\$ 5,310,962	\$ 5,256,890	\$ 5,214,665
Net carrying value of tangible capital assets disposed of	\$ -	\$ -	\$ 21,249
Write-down carrying value of tangible capital assets	\$ -	\$ -	\$ -
Other changes	\$ -	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ 5,010,962	\$ (8,314,632)	\$ (5,132,675)
Changes in:			
Prepaid expenses	\$ -	\$ 185,089	\$ 162,838
Other non-financial assets	\$ -	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -	\$ -
Endowments	\$ -	\$ -	\$ -
Decrease (Increase) in net debt	\$ 3,075,124	\$ (8,532,565)	\$ (6,159,311)
Net debt at beginning of year	\$ (75,661,925)	\$ (75,661,925)	\$ (69,502,614)
Net debt at end of year	\$ (72,586,801)	\$ (84,194,490)	\$ (75,661,925)

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

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

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

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

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

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2013	\$ 14,785,911	\$ -	\$ 14,785,911	\$ 7,597,340	\$ -	\$ 1,970	\$ 6,213,499	\$ 973,102
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 14,785,911	\$ -	\$ 14,785,911	\$ 7,597,340	\$ -	\$ 1,970	\$ 6,213,499	\$ 973,102
Operating surplus (deficit)	\$ (403,022)		\$ (403,022)			\$ (403,022)		
Board funded tangible capital asset additions				\$ 32,304		\$ -	\$ -	\$ (32,304)
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ (950)		\$ 950
Disposal of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)	\$ -		\$ -	\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year	\$ -	\$ -						
Endowment expenses	\$ -		\$ -		\$ -	\$ -		
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets	\$ -			\$ (5,256,890)		\$ 5,256,890		
Capital revenue recognized	\$ -			\$ 4,633,500		\$ (4,633,500)		
Debt principal repayments (unsupported)	\$ -			\$ -		\$ -		
Externally imposed endowment restrictions	\$ -				\$ -	\$ -	\$ -	
Net transfers to operating reserves	\$ -					\$ (1,198,313)	\$ 1,198,313	
Net transfers from operating reserves	\$ -					\$ 978,184	\$ (978,184)	
Net transfers to capital reserves	\$ -					\$ -		\$ -
Net transfers from capital reserves	\$ -					\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 14,382,889	\$ -	\$ 14,382,889	\$ 7,006,254	\$ -	\$ 1,259	\$ 6,433,628	\$ 941,748

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

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2013	\$ 3,509,581	\$ -	\$ -	\$ 514,559	\$ 2,703,918	\$ 458,543	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:										
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 3,509,581	\$ -	\$ -	\$ 514,559	\$ 2,703,918	\$ 458,543	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)										
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ (19,927)	\$ -	\$ (12,377)	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets		\$ -		\$ 950		\$ -		\$ -		\$ -
Disposal of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of unsupported tangible capital assets		\$ -		\$ -		\$ -		\$ -		\$ -
Write-down of supported tangible capital assets (board funded portion)		\$ -		\$ -		\$ -		\$ -		\$ -
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$ -		\$ -		\$ -		\$ -		\$ -	
Net transfers to operating reserves	\$ -		\$ -		\$ 570,129		\$ -		\$ 628,184	
Net transfers from operating reserves	\$ (350,000)		\$ -		\$ -		\$ -		\$ (628,184)	
Net transfers to capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Net transfers from capital reserves		\$ -		\$ -		\$ -		\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ 3,159,581	\$ -	\$ -	\$ 495,582	\$ 3,274,047	\$ 446,166	\$ -	\$ -	\$ -	\$ -

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

	Unexpended Deferred Capital Revenue				Expended Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2013	\$ 171,243	\$ -	\$ -	\$ 5,428,751	\$ 82,238,281
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ 171,243	\$ -	\$ -	\$ 5,428,751	\$ 82,238,281
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ 1,778,480				
Infrastructure Maintenance & Renewal capital related to school facilities	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources (Describe):	\$ -			\$ -	
Unexpended capital revenue <u>receivable</u> from:					
Alberta Education school building & modular (excl. IMR)	\$ -				
Other sources: (Describe)	\$ -			\$ -	
Other sources: (Describe)	\$ -			\$ -	
Interest earned on unexpended capital revenue	\$ -	\$ -	\$ -	\$ -	
Other unexpended capital revenue: (Describe)				\$ -	
Net proceeds on disposal of supported tangible capital assets			\$ -	\$ -	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					\$ -
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ 12,309,721
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ (1,183,963)	\$ -	\$ -	\$ (45,541)	\$ 1,229,504
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ -
Other adjustments (Explain): Permission to fund R&M projects		\$ -	\$ -	\$ 864,371	\$ -
Capital revenue recognized - Alberta Education					\$ 4,633,500
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ 765,740	\$ -	\$ -	\$ 4,518,839	\$ 91,144,006
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)				\$ 5,284,579	

Unexpended Deferred Capital Revenue

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

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

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

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

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

REVENUES	2014						2013
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	TOTAL
(1) Alberta Education	\$ 59,622,098	\$ 9,829,060	\$ 1,222,660	\$ 3,258,150	\$ -	\$ 73,931,968	\$ 71,341,741
(2) Other - Government of Alberta	\$ 1,183,792	\$ -	\$ -	\$ -	\$ -	\$ 1,183,792	\$ 1,197,637
(3) Federal Government and First Nations	\$ 70,592	\$ -	\$ -	\$ -	\$ -	\$ 70,592	\$ 122,780
(4) Other Alberta school authorities	\$ 1,524	\$ -	\$ -	\$ -	\$ -	\$ 1,524	\$ 938
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 1,622,264	\$ -	\$ 480,203	\$ -	\$ -	\$ 2,102,467	\$ 2,221,832
(9) Other sales and services	\$ 187,248	\$ 155,429	\$ -	\$ 1,500	\$ -	\$ 344,177	\$ 445,739
(10) Investment income	\$ -	\$ 87,253	\$ -	\$ 87,253	\$ -	\$ 174,506	\$ 166,666
(11) Gifts and donations	\$ 453,229	\$ -	\$ -	\$ -	\$ -	\$ 453,229	\$ 651,864
(12) Rental of facilities	\$ 348,708	\$ -	\$ -	\$ -	\$ 824,330	\$ 1,173,038	\$ 966,754
(13) Fundraising	\$ 1,072,697	\$ -	\$ -	\$ -	\$ -	\$ 1,072,697	\$ 1,228,904
(14) Gains on disposal of tangible capital assets	\$ -	\$ 950	\$ -	\$ -	\$ -	\$ 950	\$ 5,000
(15) Other revenue	\$ 645,491	\$ 218,880	\$ -	\$ -	\$ -	\$ 864,371	\$ -
(16) TOTAL REVENUES	\$ 65,207,643	\$ 10,291,572	\$ 1,702,863	\$ 3,346,903	\$ 824,330	\$ 81,373,311	\$ 78,349,855
EXPENSES							
(17) Certificated salaries	\$ 31,441,597	\$ -	\$ -	\$ 615,151	\$ -	\$ 32,056,748	\$ 31,785,111
(18) Certificated benefits	\$ 8,321,631	\$ -	\$ -	\$ 120,603	\$ -	\$ 8,442,234	\$ 7,635,904
(19) Non-certificated salaries and wages	\$ 11,813,925	\$ 2,419,972	\$ 35,999	\$ 1,188,590	\$ 69,612	\$ 15,528,098	\$ 15,605,790
(20) Non-certificated benefits	\$ 2,616,262	\$ 721,339	\$ 12,049	\$ 324,164	\$ 3,770	\$ 3,677,584	\$ 3,678,891
(21) SUB - TOTAL	\$ 54,193,415	\$ 3,141,311	\$ 48,048	\$ 2,248,508	\$ 73,382	\$ 59,704,664	\$ 58,705,696
(22) Services, contracts and supplies	\$ 9,643,961	\$ 4,384,705	\$ 2,120,178	\$ 519,011	\$ 122,764	\$ 16,790,619	\$ 15,610,332
(23) Amortization of supported tangible capital assets	\$ -	\$ 4,633,500	\$ -	\$ -	\$ -	\$ 4,633,500	\$ 4,616,928
(24) Amortization of unsupported tangible capital assets	\$ 99,378	\$ 524,012	\$ -	\$ -	\$ -	\$ 623,390	\$ 597,737
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(27) Other interest and finance charges	\$ 14,905	\$ -	\$ -	\$ 9,255	\$ -	\$ 24,160	\$ 8,636
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 63,951,659	\$ 12,683,528	\$ 2,168,226	\$ 2,776,774	\$ 196,146	\$ 81,776,333	\$ 79,539,329
(31) OPERATING SURPLUS (DEFICIT)	\$ 1,255,984	\$ (2,391,956)	\$ (465,363)	\$ 570,129	\$ 628,184	\$ (403,022)	\$ (1,189,474)

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

EXPENSES	Custodial	Maintenance	Utilities and Telecomm.	Expensed IMR, Modular Unit Relocations & Lease Payments	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	2014 TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$ 1,616,154	\$ 428,483	\$ -	\$ -	\$ 375,335		\$ 2,419,972		\$ 2,419,972
Uncertificated benefits	\$ 529,807	\$ 108,818	\$ -	\$ -	\$ 82,714		\$ 721,339		\$ 721,339
Sub-total Remuneration	\$ 2,145,961	\$ 537,301	\$ -	\$ -	\$ 458,049		\$ 3,141,311		\$ 3,141,311
Supplies and services	\$ 193,479	\$ 1,951,159	\$ -	\$ 515,383			\$ 2,660,021		\$ 2,660,021
Electricity			\$ 921,503				\$ 921,503		\$ 921,503
Natural gas/heating fuel			\$ 446,956				\$ 446,956		\$ 446,956
Sewer and water			\$ 97,084				\$ 97,084		\$ 97,084
Telecommunications			\$ 21,433				\$ 21,433		\$ 21,433
Insurance					\$ 237,708		\$ 237,708		\$ 237,708
Amortization of tangible capital assets									
Supported								\$ 4,633,500	\$ 4,633,500
Unsupported						\$ 524,012	\$ 524,012		\$ 524,012
Total Amortization						\$ 524,012	\$ 524,012	\$ 4,633,500	\$ 5,157,512
Interest on capital debt									
Supported								\$ -	\$ -
Unsupported						\$ -	\$ -		\$ -
Lease payments for facilities				\$ -			\$ -		\$ -
Other interest charges						\$ -	\$ -		\$ -
Losses on disposal of capital assets						\$ -	\$ -		\$ -
TOTAL EXPENSES	\$ 2,339,440	\$ 2,488,460	\$ 1,486,976	\$ 515,383	\$ 695,757	\$ 524,012	\$ 8,050,028	\$ 4,633,500	\$ 12,683,528
SQUARE METRES									
School buildings									66,424.1
Non school buildings									3,713.0

Note:

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

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

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

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

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

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

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

1. AUTHORITY AND PURPOSE

Fort McMurray Public School District No. 2833 (the "District") delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The District is exempt from payment of income taxes under Section 149 of the Income Tax Act.

The District 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 District is limited on certain funding allocations and administration expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Cash and Cash Equivalents

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

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

c) Portfolio Investments

The District has investments in mutual funds that have no maturity dates and long-term GICs maturing in January 2016. Detailed information regarding portfolio investments is disclosed in Note 5.

d) 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.
- 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 District to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to expended deferred capital revenue.
- Buildings that are demolished or destroyed are written-off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Tangible Capital Assets (Continued)

- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates starting the year after acquisition or substantial completion:

Buildings	10 – 40 years
Equipment	5 years
Vehicles	5 years
Computer Hardware & Software	5 years

e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per PS 3200. These contributions are recognized as deferred revenue by the District 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 ("UDCR") represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the District, 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 ("EDCR") represents externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require the District use the asset in a prescribed manner over the life of the associated asset.

f) Operating and Capital Reserves

Certain amounts are internally 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.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Revenue Recognition

Revenue is 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 District has to meet in order to receive certain contributions. Stipulations describe what the District 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 *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;
- UDCR; or
- EDCR.

h) 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.

i) 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 District 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 District is included in both revenue and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$3,825,196 (2013 - \$3,136,769).

The District participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. For the year ended August 31, 2014, the expense for this pension plan is equivalent to the annual contributions of \$1,134,579 (2013 - \$1,067,369). At December 31, 2013, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,861,516,000 (2012 - deficiency of \$4,977,303,000).

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Supplementary Integrated Pension Plan

The Alberta School Boards Association ("ASBA") Supplementary Integrated Pension Plan ("SIPP"), a multi-employer registered defined-benefit pension plan sponsored by the ASBA which is subject to the provisions of the Alberta Employment Pension Plans Act, was effective January 1, 2004. It provides supplementary pension benefits to a prescribed class of employees. The plan supplements the LAPP or the ATRF.

The current services contributions in 2014 were \$68,800 (2013 - \$62,900). The accrued benefit liability at August 31, 2014 is \$729,200 (2013 - \$691,800).

k) Non-registered Supplementary Integrated Pension Plan

The non-registered SIPP, a retirement program sponsored by the District, commenced in 2005 and provides supplementary pension benefits to a prescribed class of employees. The non-registered SIPP supplements the LAPP, ATRF, and registered SIPP pension plans.

The cost of the non-registered SIPP post-retirement benefits earned by employees is actuarially determined using the projected-benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees.

l) Program Reporting

The District's operations have been segmented into operating segments established to facilitate the achievement of the District's long-term objectives to aid in resource allocation decisions, and to assess operational performance. The segments are differentiated by major activity 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 revenue and expenses are reported by program, source, and object on the Schedule of Program Operations.

m) Trusts Under Administration

The District has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The District holds title to the property for the benefit of the beneficiary. Trusts under administration have been excluded from the financial reporting of the District. Trust balances can be found in Note 14.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items measured at 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. Gains and losses arising from changes in fair value are recognized in the Statement of Remeasurement Gains and Losses. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

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.

3. CASH AND CASH EQUIVALENTS

	2014			2013
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost
Cash	prime less 1.9%	\$ 9,979,665	\$ 9,979,665	\$ 8,224,266

4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ 188,337	\$ -	\$ 188,337	\$ 204,939
Alberta Education - Capital	159,780	-	159,780	584,593
Federal government	183,719	-	183,719	210,178
Municipalities	-	-	-	5,260,236
Other	957,295	(413,787)	543,508	426,632
Total	\$ 1,489,131	\$ (413,787)	\$ 1,075,344	\$ 6,686,578

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

5. PORTFOLIO INVESTMENTS

	2014				2013
	Average Effective (Market) Yield	Cost	Fair Value	Balance	Balance
Guaranteed investment certificates	1.63%	\$5,000,000	\$5,000,417	\$5,000,417	\$ -
Fixed-income securities					
Pooled investment funds	1.12%	2,880,581	2,880,581	2,880,581	2,844,981
Total portfolio investments		<u>\$7,880,581</u>	<u>\$7,880,998</u>	<u>\$7,880,998</u>	<u>\$2,844,981</u>

6. BANK INDEBTEDNESS

As at August 31, 2014, the District had an approved line of credit totaling \$2,000,000 (2013 - \$2,000,000). Interest is charged at the prime rate. This line of credit is secured by a yearly borrowing resolution approved by the Board of Trustees. There is no balance outstanding on the line of credit as at August 31, 2014 (2013 - \$nil).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Alberta Education	\$ 83,089	\$ 247,022
Federal government	486,706	543,438
Salaries & benefit costs	958,662	1,145,266
Other trade payables and accrued liabilities	2,232,219	1,464,421
Total	<u>\$ 3,760,676</u>	<u>\$ 3,400,147</u>

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

8. DEFERRED REVENUE

Deferred revenue consists of revenue that has not yet been allocated to specific activities, revenue that has been allocated to activities to be carried out in future years, and the unexpended portion of revenue on activities in progress at August 31, 2014. The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received/ Receivable	DEDUCT: 2013/2014 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2013/2014 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2014
Unexpended deferred operating revenue					
Alberta Education:					
Infrastructure Maintenance Renewal	\$ 342,073	\$ 665,929	\$ (515,383)	\$ -	\$ 492,619
Other Alberta Education deferred revenue	-	415,157	-	-	415,157
Other Government of Alberta:					
Alberta Health Services	-	50,000	-	-	50,000
Other	269,069	-	(14,677)	-	254,392
Other Deferred Revenue:					
School Generated Funds	894,457	1,684,266	(1,635,952)	-	942,771
Fees	595,317	996,869	(1,138,964)	-	453,222
Other (Edge Program fees)	68,412	21,900	(68,412)	-	21,900
Other (Industry funding)	10,000	250,000	-	-	260,000
Other (WRAP program)	-	51,175	-	-	51,175
Total unexpended deferred operating revenue	\$ 2,179,328	\$4,135,296	(\$3,373,388)	\$ -	\$ 2,941,236
Unexpended deferred capital revenue	5,599,994	14,088,181	(14,403,596)	-	5,284,579
Expended deferred capital revenue	82,238,281	13,539,225	(4,633,500)	-	91,144,006
Total	\$ 90,017,603	\$ 31,762,702	\$ (22,410,484)	\$ -	\$ 99,369,821

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

9. TANGIBLE CAPITAL ASSETS

	August 31, 2014						
	Land	Construction In Progress - Buildings	Buildings 10-40 Years	Equipment 5 Years	Vehicles 5 Years	Computer Hardware & Software 5 Years	Total
Estimated useful life							
Historical cost							
Beginning of year	\$ 4,071,454	\$ 11,486,531	\$125,563,088	\$ 10,795,711	\$ 511,933	\$ 371,182	\$152,799,899
Additions	-	12,346,140	221,442	518,944	18,212	466,784	13,571,522
Less disposals including write-offs	-	-	-	-	(22,554)	-	(22,554)
	<u>\$ 4,071,454</u>	<u>\$ 23,832,671</u>	<u>\$125,784,530</u>	<u>\$ 11,314,655</u>	<u>\$ 507,591</u>	<u>\$ 837,966</u>	<u>\$166,348,867</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 53,955,266	\$ 8,354,464	\$ 375,590	\$ 278,951	\$ 62,964,271
Additions	-	-	4,391,627	743,275	73,160	48,828	5,256,890
Less disposals including write-offs	-	-	-	-	(22,554)	-	(22,554)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,346,893</u>	<u>\$ 9,097,739</u>	<u>\$ 426,196</u>	<u>\$ 327,779</u>	<u>\$ 68,198,607</u>
Net book value at August 31, 2014	<u>\$ 4,071,454</u>	<u>\$ 23,832,671</u>	<u>\$ 67,437,637</u>	<u>\$ 2,216,916</u>	<u>\$ 81,395</u>	<u>\$ 510,187</u>	<u>\$ 98,150,260</u>
Net book value at August 31, 2013	<u>\$ 4,071,454</u>	<u>\$ 11,486,531</u>	<u>\$ 71,607,822</u>	<u>\$ 2,441,247</u>	<u>\$ 136,343</u>	<u>\$ 92,231</u>	<u>\$ 89,835,628</u>

The net book value of construction in progress - buildings includes \$13,047,121 (2013 - \$5,872,959) for the construction of Walter and Gladys Hill Public School, an elementary school in the Eagle Ridge sub-division, \$10,380,621 (2013 - \$5,613,872) for the modernization of Composite High School, a high school in downtown Fort McMurray, \$368,510 (2013 - \$nil) for the construction of Christina Gordon Elementary School, an elementary school in the Parsons Creek sub-division, and \$36,419 (2013 - \$nil) for the addition of modulars at École McTavish Junior High School, a middle school in the Timberlea sub-division. Substantial completion of these projects is expected during the 2015 fiscal year except for Christina Gordon Elementary School which is expected to be substantially complete in the 2016 fiscal year. Equipment includes \$518,944 (2013 - \$nil) and computer hardware & software includes \$466,784 (2013 - \$nil) of assets not being amortized as they are not yet in use.

During the year, construction in progress - buildings additions of \$12,309,721 (2013 - \$9,460,150) and buildings additions of \$nil (2013 - \$24,000) were purchased directly by the Government of Alberta and therefore are non-cash and have been excluded from the statement of cash flows.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

10. ACCUMULATED SURPLUS

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

	2014	2013
Unrestricted surplus	\$ 2,209	\$ 1,970
Operating reserves	6,433,628	6,213,499
Accumulated surplus from operations	\$ 6,435,837	\$ 6,215,469
Investment in tangible capital assets	7,006,264	7,597,340
Capital reserves	940,788	973,102
Accumulated surplus	\$ 14,382,889	\$ 14,785,911

Accumulated surplus from operations includes school generated funds of \$250,606 (2013 - \$193,245). These funds are raised at school level and are not available to spend at the board level. The District's adjusted surplus from operations is calculated as follows:

	2014	2013
Accumulated surplus from operations	\$ 6,435,837	\$ 6,215,469
Deduct: School generated funds included in accumulated surplus (Note 15)	250,606	193,245
Adjusted accumulated surplus from operations ⁽¹⁾	\$ 6,185,231	\$ 6,022,224

(1) Adjusted accumulated surplus from operations represents funding available for use by the District after deducting funds committed for use by the schools.

11. CONTRACTUAL OBLIGATIONS

	2014	2013
Infrastructure Maintenance Renewal	\$ 391,517	\$ -
Service Providers	-	442,925
Xerox equipment lease	667,871	331,103
Total	\$ 1,059,388	\$ 774,028

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

	Building Projects	Building Leases	Service Providers	Other	Other
2014/2015	\$ -	\$ -	\$ -	\$ 140,488	\$ -
2015/2016	-	-	-	\$ 140,488	-
2016/2017	-	-	-	\$ 140,488	-
2017/2018	-	-	-	\$ 140,488	-
2018/2019	-	-	-	\$ 105,919	-
	\$ -	\$ -	\$ -	\$ 667,871	\$ -

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

12. CONTINGENT LIABILITIES

The District has been named in three claims of which the outcome is not determinable and no amounts have been specified. It is the opinion of management that the resolution of the claims will not have a material effect on the financial position of the District. However, should any loss result from their resolution, such amounts would be expensed as the related amounts become known.

13. FEES

	2014	2013
Transportation fees	\$ 480,203	\$ 408,628
Fees charged for instruction material and supplies	476,449	328,892
School generated funds	729,518	699,602
Tuition fees	416,297	784,710
Total	<u>\$ 2,102,467</u>	<u>\$ 2,221,832</u>

14. TRUSTS UNDER ADMINISTRATION

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

	2014	2013
Deferred salary leave plan	\$ 9,750	\$ -
Scholarship trusts	141,450	90,129
Student Health Initiative (Banker board)	-	138,772
Regional Collaborative Service Delivery (Banker board)	269,002	138,000
Total	<u>\$ 420,202</u>	<u>\$ 366,901</u>

15. SCHOOL GENERATED FUNDS

	2014	2013
School Generated Funds, Beginning of Year	\$ 1,087,702	\$ 1,137,069
Gross Receipts:		
Fees	729,518	699,602
Fundraising	726,453	778,898
Gifts and donations	11,831	3,739
Other sales and services	334,413	450,006
Total gross receipts	1,802,215	1,932,245
Total Related Expenses and Uses of Funds	1,562,280	1,808,682
Total Direct Costs Including Cost of Goods Sold to Raise Funds	134,260	172,930
School Generated Funds, End of Year	<u>\$ 1,193,377</u>	<u>\$ 1,087,702</u>
Balance included in Deferred Revenue	\$ 942,771	\$ 894,457
Balance included in Accumulated Surplus	\$ 250,606	\$ 193,245

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements
For the year ended August 31, 2014

16. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta:				
Education				
Accounts receivable / Accounts payable	\$ 348,117	\$ 83,089	\$ -	\$ -
Prepaid expenses / Deferred revenue	-	907,776	-	-
Unexpended deferred capital revenue	-	765,740	-	-
Expended deferred capital revenue	-	91,093,797	-	-
Grant revenue & expenses	-	-	70,106,772	-
Other Alberta school districts	-	-	1,524	64,117
Post-secondary institutions	-	-	210,968	184,080
Other Government of Alberta departments	-	304,392	972,824	-
TOTAL 2013/2014	\$ 348,117	\$93,154,794	\$71,292,088	\$ 248,197
TOTAL 2012/2013	\$ 789,532	\$83,204,685	\$69,368,607	\$ 223,272

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

18. REMUNERATION AND MONETARY INCENTIVES

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERP's / Other	Expenses
Jeff Thompson, Chair	1.0	\$15,497	\$594	\$7,498			\$19,859
Linda Mywaart	1.0	14,999	4,751	7,257			12,828
Angela Adams	1.0	14,646	552	7,086			2,435
Glenn Cooper	0.2	2,512	376	1,215			0
Stephen Drover	1.0	14,646	4,679	7,086			7,239
Tim O'Hara	0.8	12,147	2,204	5,877			13,630
Subtotal	5.0	\$74,447	\$13,156	\$36,019			\$55,991
Superintendent							
Douglas Nicholls	1.0	\$224,495	\$56,575	\$8,075	\$0	\$0	\$8,788
Secretary Treasurer							
Allan Kallal	1.0	\$203,464	\$55,874	\$6,250	\$0	\$0	\$6,382
Certificated teachers	309.3	\$31,824,178	\$8,385,659	\$0	\$0	\$0	
Non-certificated - other	271.6	\$15,207,918	\$3,608,554	\$0	\$0	\$0	
TOTALS		\$47,534,502	\$12,119,818	\$50,344	\$0	\$0	

19. BUDGET AMOUNTS

The budget was prepared by the District and approved by the Board of Trustees on April 15, 2013.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

**Notes to Financial Statements
For the year ended August 31, 2014**

20. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2013/2014 presentation.