

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

Valhalla School Foundation

Legal Name of School Jurisdiction

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Mailing Address

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Telephone & Fax Numbers, and Email Address

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Valhalla School Foundation 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

Jolene Kochendorfer

Name


Signature

SUPERINTENDENT

John Picard

Name


Signature

SECRETARY-TREASURER OR TREASURER

Karen Rosvold

Name


Signature

November 27/2014
Board-approved Release Date

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

To the Members of Valhalla School Foundation:

We have audited the accompanying financial statements of Valhalla School Foundation, which comprise the statement of financial position, operations, cash flows, changes in net debt, remeasurement gains and losses, 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 without not-for-profit provisions, 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.

(continues)

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Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives part of its revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contributions, operating surplus, current assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Valhalla School Foundation as at August 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting standards without not-for-profit provisions.

Grande Prairie, Alberta
November 25, 2014

Fabor LLP
CHARTERED ACCOUNTANTS

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

		2014	2013
FINANCIAL ASSETS			
Cash and cash equivalents	(Note 3)	\$ 20,279	\$ 123,588
Accounts receivable (net after allowances)	(Note 4)	\$ 21,790	\$ 15,194
Portfolio investments		\$ -	\$ -
Other financial assets		\$ -	\$ -
Total financial assets		\$ 42,069	\$ 138,782
LIABILITIES			
Bank indebtedness	(Note 5)	\$ 52,916	\$ -
Accounts payable and accrued liabilities	(Note 6)	\$ 11,583	\$ 29,762
Deferred revenue	(Note 7)	\$ 482,547	\$ 503,535
Employee future benefit liabilities		\$ -	\$ -
Other liabilities		\$ -	\$ -
Debt			
Supported: Debentures and other supported debt		\$ -	\$ -
Unsupported: Debentures and capital loans		\$ -	\$ -
Capital leases		\$ -	\$ 8,039
Mortgages		\$ -	\$ -
Total liabilities		\$ 547,046	\$ 541,336
Net financial assets (debt)		\$ (504,977)	\$ (402,554)
NON-FINANCIAL ASSETS			
Tangible capital assets	(Note 8)		
Land		\$ -	\$ -
Construction in progress		\$ -	\$ -
Buildings	\$ 321,600		
Less: Accumulated amortization	\$ (26,870)	\$ 294,730	\$ 307,594
Equipment	\$ 42,981		
Less: Accumulated amortization	\$ (22,955)	\$ 20,026	\$ 24,324
Vehicles	\$ 245,536		
Less: Accumulated amortization	\$ (24,000)	\$ 221,536	\$ 161,500
Computer Equipment	\$ 86,095		
Less: Accumulated amortization	\$ (50,340)	\$ 35,755	\$ 35,838
Total tangible capital assets		\$ 572,047	\$ 529,256
Prepaid expenses		\$ 21,629	\$ 4,642
Other non-financial assets		\$ -	\$ -
Total non-financial assets		\$ 593,676	\$ 533,898
Accumulated surplus	(Note 9)	\$ 88,698	\$ 131,344
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)		\$ 88,698	\$ 131,344
Accumulated remeasurement gains (losses)		\$ -	\$ -
		\$ 88,698	\$ 131,344
Contractual obligations			
Contingent liabilities			

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	\$ 1,388,767	\$ 1,623,854	\$ 1,596,328
Other - Government of Alberta	\$ -	\$ 9,281	\$ -
Federal Government and First Nations	\$ -	\$ -	\$ -
Other Alberta school authorities	\$ -	\$ -	\$ -
Out of province authorities	\$ -	\$ -	\$ -
Alberta municipalities-special tax levies	\$ -	\$ -	\$ -
Property taxes	\$ -	\$ -	\$ -
Fees (Note 10)	\$ 13,725	\$ 14,700	\$ 13,072
Other sales and services	\$ 9,337	\$ -	\$ 78
Investment income	\$ -	\$ 47	\$ -
Gifts and donations	\$ 600	\$ 8,100	\$ 19,000
Rental of facilities	\$ -	\$ -	\$ 920
Fundraising	\$ 30,000	\$ 114	\$ 7,950
Gains on disposal of capital assets	\$ 40,464	\$ -	\$ -
Other revenue	\$ 6,000	\$ 38,302	\$ 30,383
Total revenues	\$ 1,488,893	\$ 1,694,398	\$ 1,667,731
EXPENSES			
Instruction (ECS - Grade 12)	\$ 941,100	\$ 1,069,863	\$ 1,013,880
Plant operations and maintenance	\$ 190,801	\$ 304,084	\$ 237,167
Transportation	\$ 210,600	\$ 285,778	\$ 247,266
Board & system administration	\$ 124,750	\$ 77,318	\$ 125,891
External services	\$ -	\$ -	\$ -
Total expenses	\$ 1,467,251	\$ 1,737,043	\$ 1,624,204
Operating surplus (deficit)	\$ 21,642	\$ (42,646)	\$ 43,527

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
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (42,646)	\$ 43,527
Add (Deduct) items not affecting cash:		
Total amortization expense	\$ 47,525	\$ 40,025
Gains on disposal of tangible capital assets	\$ -	\$ -
Losses on disposal of tangible capital assets	\$ -	\$ -
Expended deferred capital revenue recognition	\$ (37,883)	\$ (30,383)
Deferred capital revenue write-off	\$ 8,500	\$ -
Donations in kind	\$ -	\$ -
Changes in:		
Accounts receivable	\$ (6,596)	\$ 2,892
Prepays	\$ (16,987)	\$ 11,647
Other financial assets	\$ -	\$ -
Non-financial assets	\$ -	\$ -
Accounts payable and accrued liabilities	\$ (18,179)	\$ (6,536)
Deferred revenue (excluding EDCR)	\$ 16,895	\$ 164,081
Employee future benefit liabilities	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from operating transactions	\$ (48,370)	\$ 225,253
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$ -	\$ -
Buildings	\$ -	\$ -
Equipment	\$ -	\$ -
Vehicles	\$ (85,536)	\$ -
Computer equipment	\$ (14,280)	\$ -
Net proceeds from disposal of unsupported capital assets	\$ -	\$ -
Other (describe) Donated capital assets included in deferred revenue	\$ -	\$ (170,002)
Total cash flows from capital transactions	\$ (99,816)	\$ (170,002)
C. INVESTING TRANSACTIONS		
Purchases of portfolio investments	\$ -	\$ -
Dispositions of portfolio investments	\$ -	\$ -
Remeasurement gains (losses) reclassified to the statement of operations	\$ -	\$ -
Other (describe)	\$ -	\$ -
Total cash flows from investing transactions	\$ -	\$ -
D. FINANCING TRANSACTIONS		
Issue of debt	\$ -	\$ -
Repayment of debt	\$ (8,039)	\$ (8,750)
Other (describe)	\$ -	\$ -
Total cash flows from financing transactions	\$ (8,039)	\$ (8,750)
Increase (decrease) in cash and cash equivalents	\$ (156,225)	\$ 46,501
Cash and cash equivalents, at beginning of year	\$ 123,588	\$ 77,087
Cash and cash equivalents, at end of year	\$ (32,637)	\$ 123,588

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

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

	2014	2013
Operating surplus (deficit)	\$ (42,646)	\$ 43,527
Effect of changes in tangible capital assets		
Acquisition of tangible capital assets	\$ (99,816)	\$ (170,002)
Amortization of tangible capital assets	\$ 47,525	\$ 40,025
Net carrying value of tangible capital assets disposed of	\$ 9,500	\$ -
Write-down carrying value of tangible capital assets	\$ -	\$ -
Other changes	\$ -	\$ -
Total effect of changes in tangible capital assets	\$ (42,791)	\$ (129,977)
Changes in:		
Prepaid expenses	\$ (16,987)	\$ 11,647
Other non-financial assets	\$ -	\$ -
Net remeasurement gains and (losses)	\$ -	\$ -
Endowments	\$ -	\$ -
Decrease (increase) in net debt	\$ (102,423)	\$ (74,803)
Net debt at beginning of year	\$ (402,554)	\$ (327,751)
Net debt at end of year	\$ (504,977)	\$ (402,554)

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	\$ 131,344	\$ -	\$ 131,344	\$ 30,206	\$ -	\$ 101,138	\$ -	\$ -
Prior period adjustments:								
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ 131,344	\$ -	\$ 131,344	\$ 30,206	\$ -	\$ 101,138	\$ -	\$ -
Operating surplus (deficit)	\$ (42,646)		\$ (42,646)			\$ (42,646)		
Board funded tangible capital asset additions								
Disposal of unsupported tangible capital assets	\$ -		\$ -	\$ -		\$ -		\$ -
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	\$ -		\$ -	\$ (47,525)		\$ 47,525		\$ -
Capital revenue recognized	\$ -		\$ -	\$ 37,883		\$ (37,883)		\$ -
Debt principal repayments (unsupported)	\$ -		\$ -	\$ 8,039		\$ (8,039)		\$ -
Externally imposed endowment restrictions	\$ -		\$ -		\$ -	\$ -		\$ -
Net transfers to operating reserves	\$ -		\$ -		\$ -	\$ -		\$ -
Net transfers from operating reserves	\$ -		\$ -		\$ -	\$ -		\$ -
Net transfers to capital reserves	\$ -		\$ -		\$ -	\$ -		\$ -
Net transfers from capital reserves	\$ -		\$ -		\$ -	\$ -		\$ -
Assumption/transfer of other operations' surplus	\$ -		\$ -		\$ -	\$ -		\$ -
Balance at August 31, 2014	\$ 88,698	\$ -	\$ 88,698	\$ 28,603	\$ -	\$ 60,095	\$ -	\$ -

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	Operating Reserves	Capital Reserves
Balance at August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior period adjustments:												
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted Balance, August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating surplus (deficit)												
Board funded tangible capital asset additions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Disposal of unsupported tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from operating reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers to capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net transfers from capital reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assumption/transfer of other operations' surplus	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Balance at August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 491,011
Prior period adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
Adjusted balance, August 31, 2013	\$ -	\$ -	\$ -	\$ -	\$ 491,011
Add:					
Unexpended capital revenue <u>received</u> from:					
Alberta Education school building & modular projects (excl. IMR)	\$ -				
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			\$ -	\$ 2,250	
Insurance proceeds (and related interest)			\$ -	\$ -	
Donated tangible capital assets (Explain):					
Alberta Schools Alternative Program (ASAP), Building Alberta School Construction Program, (BASCP) and other Alberta Infrastructure managed projects					\$ -
Transferred in (out) tangible capital assets (amortizable, @ net book value)					\$ -
Expended capital revenue - current year	\$ -	\$ -	\$ -	\$ (2,250)	\$ 2,250
Surplus funds approved for future project(s)	\$ -	\$ -			
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Deduct:					
Net book value of supported tangible capital dispositions or write-offs					\$ 9,500
Other adjustments (Explain):	\$ -	\$ -	\$ -	\$ -	\$ -
Capital revenue recognized - Alberta Education					\$ 37,883
Capital revenue recognized - Other Government of Alberta					\$ -
Capital revenue recognized - Other revenue					\$ -
Balance at August 31, 2014	\$ -	\$ -	\$ -	\$ -	\$ 445,878
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2014 (A) + (B) + (C) + (D)				\$ -	

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
(1) Alberta Education	\$ 1,261,743	\$ 254,837	\$ 107,274	\$ -	\$ -	\$ 1,623,854
(2) Other - Government of Alberta	\$ -	\$ 9,281	\$ -	\$ -	\$ -	\$ 9,281
(3) Federal Government and First Nations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4) Other Alberta school authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(5) Out of province authorities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(6) Alberta municipalities-special tax levies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(7) Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(8) Fees	\$ 14,700	\$ -	\$ -	\$ -	\$ -	\$ 14,700
(9) Other sales and services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(10) Investment income	\$ -	\$ 47	\$ -	\$ -	\$ -	\$ 47
(11) Gifts and donations	\$ 8,100	\$ -	\$ -	\$ -	\$ -	\$ 8,100
(12) Rental of facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13) Fundraising	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ 114
(14) Gains on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(15) Other revenue	\$ -	\$ 37,883	\$ -	\$ 419	\$ -	\$ 38,302
(16) TOTAL REVENUES	\$ 1,284,657	\$ 302,048	\$ 107,274	\$ 419	\$ -	\$ 1,694,398

EXPENSES	2014					2013
	Instruction (ECS-Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL
(17) Certificated salaries	\$ 719,433	\$ -	\$ -	\$ -	\$ -	\$ 719,433
(18) Certificated benefits	\$ 124,793	\$ -	\$ -	\$ -	\$ -	\$ 124,793
(19) Non-certificated salaries and wages	\$ 113,501	\$ 44,604	\$ 107,560	\$ 58,711	\$ -	\$ 324,376
(20) Non-certificated benefits	\$ 18,007	\$ 4,888	\$ 17,190	\$ 7,592	\$ -	\$ 47,687
(21) SUB - TOTAL	\$ 975,734	\$ 49,502	\$ 124,750	\$ 66,303	\$ -	\$ 1,216,289
(22) Services, contracts and supplies	\$ 73,689	\$ 241,218	\$ 145,028	\$ 1,015	\$ -	\$ 470,950
(23) Amortization of supported tangible capital assets	\$ 8,519	\$ 13,364	\$ 16,000	\$ -	\$ -	\$ 37,883
(24) Amortization of unsupported tangible capital assets	\$ 9,642	\$ -	\$ -	\$ -	\$ -	\$ 9,642
(25) Supported interest on capital debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(26) Unsupported interest on capital debt	\$ 81	\$ -	\$ -	\$ -	\$ -	\$ 81
(27) Other interest and finance charges	\$ 2,198	\$ -	\$ -	\$ -	\$ -	\$ 2,198
(28) Losses on disposal of tangible capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29) Other expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30) TOTAL EXPENSES	\$ 1,069,863	\$ 304,084	\$ 285,778	\$ 77,318	\$ -	\$ 1,737,043
(31) OPERATING SURPLUS (DEFICIT)	\$ 214,794	\$ (2,036)	\$ (178,504)	\$ (76,899)	\$ -	\$ (42,646)

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	\$ 44,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,604	\$ -	\$ 44,604
Uncertificated benefits	\$ 4,898	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,898	\$ -	\$ 4,898
Sub-total Remuneration	\$ 49,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,502	\$ -	\$ 49,502
Supplies and services	\$ 3,377	\$ 5,598	\$ -	\$ -	\$ 30,191	\$ -	\$ 39,166	\$ -	\$ 39,166
Electricity			\$ 13,243				\$ 13,243		\$ 13,243
Natural gas/heating fuel			\$ 8,222				\$ 8,222		\$ 8,222
Sewer and water			\$ 211				\$ 211		\$ 211
Telecommunications			\$ 11,871				\$ 11,871		\$ 11,871
Insurance					\$ 7,616		\$ 7,616		\$ 7,616
Amortization of tangible capital assets									
Supported									
Unsupported						\$ 13,364	\$ 13,364	\$ -	\$ 13,364
Total Amortization						\$ 13,364	\$ 13,364	\$ -	\$ 13,364
Interest on capital debt									
Supported									
Unsupported									
Lease payments for facilities				\$ 160,889			\$ 160,889		\$ 160,889
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$ 52,879	\$ 5,598	\$ 33,547	\$ 160,889	\$ 37,807	\$ 13,364	\$ 304,084	\$ -	\$ 304,084

SQUARE METRES									
School buildings									2,019.0
Non school buildings									0.0

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.

BOARD AND SYSTEM ADMINISTRATION (FOR INFORMATION ONLY - NOT PART OF FINANCIAL STATEMENTS)
2013/2014 EXPENSES UNDER (OVER) MAXIMUM LIMIT

TOTAL EXPENSES (From "Total" column of Line 30 of Schedule of Program Operations) \$1,737,043

Enter Number of Net Enrolled Students: 115

Enter "C" if Charter School C

STEP 1

Calculation of maximum expense limit percentage for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over = 3.6% 5.40%

If "Total Net Enrolled Students" are 2,000 and less = 5.4%

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proportion for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .00045 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .00045 = 0.675% plus 3.6% = maximum expense limit of 4.275%).

STEP 2

A. Calculate maximum expense limit amounts for Board and System Administration expenses

Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES \$93,800

B. Considerations for Charter Schools and Small School Boards:

If charter schools and small school boards,

The amount of Small Board Administration funding (*Funding Manual* Section 1.13)

\$193,837

2013/2014 MAXIMUM EXPENSE LIMIT (the greater of A or B above)

\$193,837

Actual Board & System Administration from Line 30 of "Schedule of Program Operations"

(Board & System Administration Column)

\$77,318

Amount Overspent

\$0

Valhalla School Foundation
Notes to the financial statements
For the year ended August 31, 2014

1. AUTHORITY AND PURPOSE

The Valhalla School Foundation – Jurisdiction 0224 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The foundation receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The School Foundation 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 amounts on deposit with Canadian financial institutions.

b) 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. Due to the difficulty in measuring their value, contributed services are not recognized in the financial statements.

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

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

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

c) Tangible capital assets

- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets are amortized over their estimated useful lives on a straight-line basis, at the following rates:

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

d) 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 Valhalla School Division does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenues and expenses. For the school year ended August 31, 2014, the amount contributed by the Government was \$82,817 (2013 \$61,141).

e) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

f) 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.

g) 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 Foundation recognizes a financial instrument when it becomes a party to a financial instrument contract.

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

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts on deposit with Canadian financial institutions.

4. ACCOUNTS RECEIVABLE

	2014			2013
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Alberta Education - Grants	\$ -	\$ -	\$ -	\$ -
Alberta Education - Capital	-	-	-	-
Alberta Education - IMR	-	-	-	-
Alberta Education - (Specify)	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance - Supported debenture principal	-	-	-	-
Treasury Board and Finance - Accrued interest on supported debentures	-	-	-	-
Alberta Health & Wellness	-	-	-	-
Alberta Health Services	-	-	-	-
Innovation & Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Government of Alberta Ministry (Specify)	-	-	-	-
Federal government	13,220	-	13,220	7,617
Municipalities	-	-	-	-
First Nations	-	-	-	-
Foundations	-	-	-	-
Other	8,570	-	8,570	7,577
Total	<u>\$ 21,790</u>	<u>\$ -</u>	<u>\$ 21,790</u>	<u>\$ 15,194</u>

5. BANK INDEBTEDNESS

The Foundation has negotiated a line of credit in the amount of \$75,000 (2013 - \$75,000) that bears interest at the bank prime rate plus 2%. This line of credit is secured by a general security agreement providing security interest over all present and after acquired property of the Foundation. At August 31, 2014 \$52,916 (2012 - \$nil) was outstanding.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Alberta Education	\$ -	\$ -
Other Alberta school jurisdictions	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Supported)	-	-
Alberta Capital Finance Authority (Interest on long-term debt - Unsupported)	-	-
Alberta Health & Wellness	-	-
Alberta Health Services	-	-
Innovation & Advanced Education	-	-
Post-secondary institutions	-	-
Federal government	-	-
First Nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Accrued vacation pay liability	-	-
Other salaries & benefit costs	-	-
Other trade payables and accrued liabilities	11,583	29,762
Total	\$ 11,583	\$ 29,762

7. DEFERRED REVENUE

Deferred revenue includes deferred capital funding, as outlined in the Schedule of Capital Revenue, deferred Casino revenue and prepaid resource fees for the 2014-15 school year.

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2013	ADD: 2013/2014 Restricted Funds Received	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:					
Regional Collaborative Service Delivery	\$ -	\$ -	\$ -	\$ -	\$ -
Children and Youth with Complex Needs	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
Infrastructure Maintenance Renewal	-	-	-	-	-
Institutional Education Programs	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Alberta Initiative for School Improvement	-	-	-	-	-
SuperNet Service	-	9,600	(9,600)	-	-
Other Government of Alberta: (Specify ministry & program)	-	-	-	-	-
Other Deferred Revenue:					
School Generated Funds	-	-	-	-	-
Fees	12,525	11,350	(12,525)	-	11,350
Donations	-	-	-	-	-
Casino Revenue	-	32,996	(7,676)	-	25,320
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 12,525	\$ 53,946	\$ (29,801)	\$ -	\$ 36,670
Unexpended deferred capital revenue	-	-	-	-	-
Expended deferred capital revenue	491,010	2,250	(47,383)	-	445,877
Total	\$ 503,535	\$ 56,196	\$ (77,184)	\$ -	\$ 482,547

8. TANGIBLE CAPITAL ASSETS

	2014							2013
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total	Total
Estimated useful life			25-40 Years	5-10 Years	5-10 Years	3-5 Years		
Historical cost								
Beginning of year	\$ -	\$ -	\$ 321,600	\$ 42,981	\$ 170,000	\$ 71,815	\$ 606,396	\$ 436,397
Prior period adjustments	-	-	-	-	-	-	-	-
Additions	-	-	-	-	85,536	14,280	99,816	170,000
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-	-	-	-	-	(10,000)	-	(10,000)	-
	\$ -	\$ -	\$ 321,600	\$ 42,981	\$ 245,536	\$ 86,095	\$ 696,212	\$ 606,397
Accumulated amortization								
Beginning of year	\$ -	\$ -	\$ 14,006	\$ 18,658	\$ 8,500	\$ 35,977	\$ 77,141	\$ 37,115
Prior period adjustments	-	-	-	-	-	-	-	-
Amortization	-	-	12,864	4,297	16,000	14,363	47,524	40,026
Other additions	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-	-	-	-	-	(500)	-	(500)	-
	\$ -	\$ -	\$ 26,870	\$ 22,955	\$ 24,000	\$ 50,340	\$ 124,165	\$ 77,141
Net Book Value at End of Year	\$ -	\$ -	\$ 294,730	\$ 20,026	\$ 221,536	\$ 35,755	\$ 572,047	\$ 529,256

9. ACCUMULATED SURPLUS:

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

	2014	2013
Unrestricted surplus	\$ 60,095	\$ 101,138
Operating reserves	-	-
Accumulated surplus (deficit) from operations	60,095	101,138
Investment in tangible capital assets	28,603	30,206
Capital reserves	-	-
Endowments ⁽¹⁾	-	-
Accumulated remeasurement gains (losses)	-	-
Accumulated surplus (deficit)	\$ 88,698	\$ 131,344

10. FEES

	2014	2013
Transportation fees ⁽¹⁾	\$ -	\$ -
Fees charged for instruction material and supplies ⁽²⁾	14,700	13,072
School generated Funds		
Field trips		
Total	\$ 14,700	\$ 13,072

11. RELATED PARTY TRANSACTIONS

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

	Balances		Transactions	
	Financial Assets (at cost or net realizable value)	Liabilities (at amortized cost)	Revenues	Expenses
Government of Alberta (GOA):				
Education				
Grant revenue & expenses	-	-	-	-
Other revenues & expenses	-	-	1,623,854	-
Other Alberta school jurisdictions	-	-	-	-
Other:				
Alberta Capital Financing Authority	-	-	-	-
J & P Mechanical Services	-	-	-	54,940
Alberta Gaming and Liquor Commission	-	-	7,675	-
TOTAL 2013/2014	\$ -	\$ -	\$1,631,529	\$ 54,940
TOTAL 2012/2013	\$ -	\$ -	\$1,596,328	\$ 61,141

12. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

13. Contractual Obligations

	2014	2013
Building projects	\$ -	\$ -
Building leases ⁽¹⁾	160,889	160,889
Service providers	-	-
Total	\$ 160,889	\$ 160,889

⁽¹⁾**Building leases:** The Foundation entered into a lease agreement on September 1, 2013 with Valhalla Heritage Society with respect to occupying the building located at 9702 – 100 Avenue, Valhalla Center, Alberta. The term of the agreement is for 5 years commencing on September 1, 2013 and requires monthly lease payments of \$13,407.

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

	Building Projects	Building Leases	Service Providers
2014-15	\$ -	\$ 160,889	\$ -
2015-16	-	160,889	-
2016-17	-	160,889	-
2017-18	-	160,889	-
2018-19	-	-	-
Thereafter	-	-	-
	\$ -	\$ 643,556	\$ -

14. REMUNERATION AND MONETARY INCENTIVES

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

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair - J. Kochendorfer	0.0	\$0	\$0	\$0			\$768
B. Kjemhus	0.0	\$0	\$0	\$0			\$59
D. Steyer	0.0	\$0	\$0	\$0			\$0
J. White	0.0	\$0	\$0	\$0			\$0
T. Campbell	0.0	\$0	\$0	\$0			\$0
M. Gerow	0.0	\$0	\$0	\$0			\$0
M. Modrall	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	0.0	\$0	\$0	\$0			\$827
Superintendent (1)	1.0	\$31,877	\$0	\$0	\$0	\$0	\$14,111
Superintendent (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer (1)	0.5	\$23,700	\$3,066	\$0	\$0	\$0	\$0
Secretary/Treasurer (2)	0.4	\$5,688	\$0	\$0	\$0	\$0	\$0
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated teachers	7.2	\$719,433	\$124,793	\$0	\$0	\$0	
Non-certificated - other	6.5	\$294,989	\$44,621	\$0	\$0	\$0	
TOTALS		\$1,075,687	\$172,480	\$0	\$0	\$0	

There were two secretary treasurers during the year.

15. SUBSEQUENT EVENTS

On October 8, 2014, the Foundation obtained a term loan from ATB Financial in the amount of \$186,670 for the purchase of 3 buses. The loan requires monthly blended payments of \$3,400 with interest accruing at a rate of prime plus 0.31% per annum.

16. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on May 29, 2013. It is presented for information purposes only and has not been audited.

17. COMPARATIVE FIGURES

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