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School Jurisdiction Code: 2125

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Aspen View Regional Division No. 19

Legal Name of School Jurisdiction

3600 - 48 Avenue, Athabasca, Alberta T9S 1M8

Mailing Address

Phone: (780) 675-7080 Fax: (780) 675-3660

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Aspen View Regional Division No. 19 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chairman

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

BOARD CHAIR

Paul Ponich

Name


Signature

SUPERINTENDENT

Dermod Madden

Name


Signature

SECRETARY TREASURER OR TREASURER

Dave Holler

Name


Signature

Board-approved Release Date

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WildeandCompany
Chartered Accountants

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AUDITORS' REPORT

To the Board of Trustees
Aspen View Regional Division No. 19

We have audited the statement of financial position of the Aspen View Regional Division No. 19 as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. 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 plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2009 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Vegreville, Alberta
October 29, 2009

Wilde and Company
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note x)	\$3,808,563	\$3,450,932
Accounts receivable (net after allowances)	(Note 3)	\$470,373	\$556,184
Prepaid expenses	(Note x)	\$122,903	\$300,366
Other current assets	(Note 2)	\$9,922,828	\$3,775,442
Total current assets		\$14,324,667	\$8,082,924
School generated assets			
Trust assets	(Note x)	\$0	\$0
Long term accounts receivable	(Note x)	\$0	\$0
Long term investments	(Note 4)	\$500,734	\$1,991,748
Capital assets			
Land		\$330,335	\$317,785
Construction in Progress		\$856,840	\$113,082
Buildings		\$29,081,934	
Less: accumulated amortization		(\$21,257,234)	\$8,797,477
Equipment		\$2,061,535	
Less: accumulated amortization		(\$1,540,100)	\$812,650
Vehicles		\$1,101,678	
Less: accumulated amortization		(\$483,443)	\$382,994
Total capital assets		\$10,151,545	\$10,423,988
TOTAL ASSETS		\$25,543,477	\$21,055,302
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note x)	\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$2,071,186	\$1,921,114
Deferred revenue	(Note 7)	\$296,062	\$329,912
Deferred capital allocations	(Note 9)	\$5,127,044	\$482,615
Current portion of long term debt		\$546,304	\$544,142
Total current liabilities		\$8,040,596	\$3,257,783
School generated liabilities			
Trust liabilities	(Note x)	\$0	\$0
Employee future benefit liabilities	(Note x)	\$315,972	\$273,286
Long term debt			
Supported: Debentures and other supported debt		\$1,678,584	\$2,078,727
Less: Current portion		(\$389,343)	(\$400,143)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$512,757	\$656,756
Mortgages		\$0	\$0
Less: Current portion		(\$156,961)	(\$143,999)
Other long term liabilities	(Note x)	\$0	\$0
Unamortized capital allocations	(Note 10)	\$7,369,669	\$7,025,404
Total long term liabilities		\$9,897,209	\$10,046,673
TOTAL LIABILITIES		\$17,937,805	\$13,304,456
NET ASSETS			
Unrestricted net assets		\$1,902,376	\$1,510,954
Operating Reserves		\$4,617,368	\$5,081,399
Accumulated Operating Surplus (Deficit)		\$6,519,744	\$6,592,353
Investment in capital assets		\$590,536	\$663,101
Capital Reserves		\$495,392	\$495,392
Total Capital Funds		\$1,085,928	\$1,158,493
Total net assets		\$7,605,672	\$7,750,846
TOTAL LIABILITIES AND NET ASSETS		\$25,543,477	\$21,055,302

Note: Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2009
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
REVENUES			
Government of Alberta	\$34,105,351	\$33,359,547	\$33,580,291
Federal Government and First Nations	\$1,596,798	\$1,088,000	\$1,533,564
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$0	\$255,600	\$245,603
Transportation fees	\$234,149	\$0	\$0
Other sales and services	\$580,347	\$628,578	\$441,800
Investment income	\$281,474	\$284,000	\$303,493
Gifts and donations	\$22,209	\$0	\$16,621
Rental of facilities	\$56,140	\$62,900	\$82,190
Net school generated funds	\$521,297	\$700,000	\$549,218
Gains on disposal of capital assets	\$0		\$400
Amortization of capital allocations	\$685,808	\$717,447	\$717,477
Other revenue	\$0	\$0	\$0
Total Revenues	\$38,085,573	\$37,096,072	\$37,450,657
EXPENSES			
Certificated salaries (Note x)	\$15,104,830	\$14,935,900	\$14,865,734
Certificated benefits (Note x)	\$1,678,232	\$1,659,548	\$1,655,613
Non-certificated salaries and wages (Note x)	\$6,761,704	\$5,691,341	\$6,354,545
Non-certificated benefits (Note x)	\$1,497,681	\$1,605,250	\$1,430,873
Services, contracts and supplies	\$11,434,852	\$10,858,801	\$10,176,220
Net school generated funds	\$521,297	\$700,000	\$549,218
Capital and debt services			
Amortization of capital assets			
Supported	\$685,808	\$717,477	\$717,477
Unsupported	\$545,269	\$542,938	\$519,332
Total Amortization of capital assets	\$1,231,077	\$1,260,415	\$1,236,809
Interest on capital debt			
Supported	\$164,887	\$260,000	\$205,312
Unsupported	\$107,507	\$59,327	\$59,116
Total Interest on capital debt	\$272,394	\$319,327	\$264,428
Other interest and charges	\$0	\$0	\$14,143
Losses on disposal of capital assets	\$0	\$0	\$2,611
Other expense	\$0	\$0	\$0
Total Expenses	\$38,502,067	\$37,030,582	\$36,550,194
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$416,494)	\$65,490	\$900,463
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$416,494)	\$65,490	\$900,463

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$416,494)	\$900,463
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$685,808)	(\$717,477)
Total amortization expense	\$1,231,077	\$1,236,809
Gains on disposal of capital assets	\$0	(\$400)
Losses on disposal of capital assets	\$0	\$2,611
Changes in:		
Accounts receivable	\$85,811	\$145,780
Prepays and other current assets	(\$5,969,923)	\$351,434
Long term accounts receivable	\$0	\$0
Long term investments	\$1,491,014	(\$1,991,748)
Accounts payable and accrued liabilities	\$150,072	\$291,952
Deferred revenue	(\$33,850)	\$10,350
Employee future benefit liabilities	\$42,686	\$18,361
Other (describe) Unrealized gain or loss on investments	\$271,320	\$0
Total cash flows from Operations	(\$3,834,095)	\$248,135
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	(\$12,550)	\$0
Buildings	(\$743,757)	(\$113,082)
Equipment	\$0	(\$73,386)
Vehicles	(\$316,154)	(\$144,831)
Net proceeds from disposal of capital assets	\$0	\$3,900
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$1,072,461)	(\$327,199)
C. FINANCING ACTIVITIES		
Capital allocations	\$5,408,186	\$575,697
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$544,142)	(\$594,342)
Add back: supported portion	\$400,143	\$438,049
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$5,264,187	\$419,404
Net cash flows from during the year	\$357,631	\$340,340
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$3,450,932	\$3,110,592
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$3,808,563	\$3,450,932

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2009**

School Jurisdiction Code: 2125

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	(6) INTERNALLY RESTRICTED NET ASSETS											
						(7) School & Instruction Related		(8) Operations & Maintenance		(9) Board & System Admin.		(10) Transportation		(11) 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, 2008	\$7,750,846	\$663,101	\$1,510,954	\$5,081,399	\$495,392	\$4,416,591	\$495,392	\$0	\$0	\$0	\$0	\$664,808	\$0	\$0	\$0		
Prior period adjustments (describe)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Balance, Aug. 31, 2008	\$7,750,846 (\$416,494)	\$663,101	\$1,510,954 (\$416,494)	\$5,081,399	\$495,392	\$4,416,591	\$495,392	\$0	\$0	\$0	\$0	\$664,808	\$0	\$0	\$0		
Excess (deficiency) of revenue over expenses																	
Board funded capital additions																	
Disposal of unsupported capital assets	\$0	\$328,705	(\$328,705)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Direct credits to net assets	\$271,320	\$0	\$271,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Amortization of capital assets		(\$1,231,077)	\$1,231,077														
Amortization of capital allocations		\$685,808	(\$685,808)														
Debt principal repayments (unsupported)		\$143,999	(\$143,999)														
Net transfers to operating reserves			(\$209,429)	\$209,429		\$209,429		\$0				\$0		\$0			
Net transfers from operating reserves			\$673,460	(\$673,460)		(\$613,706)		\$0				(\$59,754)		\$0			
Net transfers to capital reserves			\$0	\$0		\$0						\$0		\$0			
Net transfers from capital reserves			\$0	\$0		\$0						\$0		\$0			
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Balance at August 31, 2009	\$7,605,672	\$590,536	\$1,902,376	\$4,617,368	\$495,392	\$4,012,314	\$495,392	\$0	\$0	\$0	\$0	\$605,054	\$0	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2009
(in dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$462,615	\$7,025,404
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$462,615	\$7,025,404
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$5,175,001	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$108,185	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$125,000	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$400,143
Expended capital allocations - current year	(\$743,757)	\$743,757
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$113,827
Capital allocations amortized to revenue		\$685,808
Balance at August 31, 2009	\$5,127,044	\$7,369,669

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

ASPEN VIEW REGIONAL DIVISION NO. 19

NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2009

1. AUTHORITY AND PURPOSE

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

The jurisdiction receives instruction and support allocations under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on certain funding allocations and administration expenses.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants (CICA), using the deferral method of reporting contributions.

b) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

c) Capital Assets

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

Buildings - 2.5 to 10%

Equipment - 20%

Vehicles - 20%

Capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

ASPEN VIEW REGIONAL DIVISION NO. 19

NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2009

d) Financial Instruments

The financial instruments of Aspen View Regional Division No. 19 consist of cash, receivables, investments, payables, and long term debt. The jurisdiction has chosen not to adopt CICA Handbook Sections 3862 and 3863 however, in accordance with Section 3855 (Financial Instruments - Recognition and Measurement) of the Canadian Institute of Chartered Accountants (CICA) handbook, these financial instruments are designated and measured as follows:

Financial Instruments	Category	Measurement
Cash and cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Investments - bonds	Held-to-maturity	Amortized cost
Investments - trust units	Available for sale	Fair value
Accounts payable	Other financial liabilities	Amortized cost
Long term debt	Other financial liabilities	Amortized cost

All financial instruments must initially be recognized at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their category classification.

e) Capital Disclosures

Effective September 1, 2008, Aspen View Regional Division No. 19 implemented new capital disclosure requirements per section 1535 of the CICA Handbook. The School Division's objectives for managing capital are:

- In the short term, to safeguard the School Division's ability to continue to deliver services to the schools located within the School Division boundaries and;
- In the long term to plan and to build sufficient physical capacity to meet future needs for school services.

f) School Generated Funds

These are funds which come under the control and responsibility of a school principal for school activities. They are usually collected, retained and expensed at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

g) Vacation Pay

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

ASPEN VIEW REGIONAL DIVISION NO. 19

NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2009

h) 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 Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Aspen View Regional Division No. 19 does not make pension contributions for certificated staff.

The School Board participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$497,859 for the year ended August 31, 2009 (2008 - \$446,910). At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 a deficiency of \$1,183,334,000). Effective for the 2008-2009 fiscal year, the Government of Alberta has taken responsibility for the LAPP unfunded liabilities.

i) Prepaid Expenses

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

j) Operating and Capital Reserves

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

k) Contributed Services

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. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

l) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2009, the recorded obligation is \$315,972 (2008 - \$273,286). The total expense recorded in the financial statements is \$42,686 (2008 - \$18,361).

m) Investments

Some short term investments are valued at fair market value as they were classified as available-for-sale. The fair values of the recognized investments are determined based on the available market information. Realized investment income is reported on the Statement of Operating Revenues and Expenditures. Unrealized gains and losses are reported on the Statement of Changes in Net Assets.

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

ASPEN VIEW REGIONAL DIVISION NO. 19**NOTES TO FINANCIAL STATEMENTS**

For the year ended August 31, 2009

n) Measurement Uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. 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 in this note.

3. SHORT TERM INVESTMENTS	2009	2008
Cash account	\$ 1,526	\$ 69,916
Fixed income bonds	1,491,014	2,089,791
Trust units	8,430,289	1,615,735
	\$ 9,922,828	\$ 3,775,442

The short term investments have effective interest rates of 3.82% to 4.29% and mature within the next year.

The fair market value of the cash account is \$1,526 (2008 - \$69,916). The fair market value of the fixed income bonds is \$1,553,506 (2008 - \$2,261,998). The amortized cost of the trust units is \$8,158,969 (2008 - \$1,615,634).

4. ACCOUNTS RECEIVABLE	2009	2008
Alberta Education	\$ 1,490	\$ 19,006
Alberta Finance	125,520	155,909
Federal Government	191,346	144,229
Other accounts receivable	152,017	237,040
	\$ 470,373	\$ 556,184

5. LONG TERM INVESTMENTS	2009	2008
Fixed income bonds	\$ 500,734	\$ 1,991,748

The long term investments have effective interest rates of 3.79% and mature in February 2011.

The fair market value of the fixed income bonds is \$549,265 (2008 - \$2,056,277).

ASPEN VIEW REGIONAL DIVISION NO. 19

NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2009

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2009	2008
Alberta Finance	\$ 125,520	\$ 155,909
Other trade payables and accrued liabilities	1,945,666	1,765,205
	\$ 2,071,186	\$ 1,921,114

8. DEFERRED REVENUE

Source and Grant or Fund Type	Deferred Revenue as at Aug. 31, 2008	Add: 2008-09 Restricted Funds Received/ Receivable	Deduct: 2008-09 Restricted Funds Expended (Paid/Payable)	Deferred Revenue as at Aug. 31, 2009
Alberta Education Restricted Operational Funding				
Alberta Initiative for School Improvement	\$ 77,766	\$ 456,642	\$ (534,408)	\$ -
Infrastructure maintenance renewal	240,840	676,331	(881,520)	35,651
Other Restricted Revenue				
Career Corner	6,299	28,853	(29,171)	5,981
Education Children & Youth Service	-	125,000	-	125,000
Moving & Improving	-	20,000	(5,026)	14,974
Software as a Service	-	190,000	(78,544)	111,456
Other programs	5,007	-	(2,007)	3,000
	\$ 329,912	\$ 1,496,826	\$ (1,530,676)	\$ 296,062

ASPEN VIEW REGIONAL DIVISION NO. 19
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

9. LONG TERM DEBT

a) Debenture Debt - Supported

The debenture debt bears interest at rates varying between 8% and 11.75%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	2009	2008
Debentures	\$ 1,678,584	\$ 2,078,727
Less current portion of debt	389,343	400,143
	\$ 1,289,241	\$ 1,678,584

School Year	Principal	Interest	Total
2009-2010	\$ 389,343	\$ 156,423	\$ 545,766
2010-2011	389,343	118,865	508,208
2011-2012	292,993	81,309	374,302
2012-2013	240,330	54,820	295,150
2013-2014	237,903	33,474	271,377
2014 to maturity	128,672	12,356	141,028
	\$ 1,678,584	\$ 457,247	\$ 2,135,831

b) Capital Lease - Unsupported

During 2006-07, the school jurisdiction entered into a five year capital lease obligation with Xerox for the lease of photocopiers. The lease included the purchase of nine new copiers and software and extended the terms of payment for the previously leased copiers by three years. The new lease commenced January 1, 2007 and expires August 31, 2012. The annual payments of \$301,506 plus GST consists of the following components: annual copy charge of \$98,390 (based on 9,821,672 copies at \$.0095 per copy plus 84,000 colour copies at \$.12 per copy) and a blended capital lease payment of \$203,116 bearing interest at 8.65%.

The annual payments under the previous capital lease were \$256,000 plus GST. In addition, a number of operating leases were also cancelled when the new capital lease was signed. The prior payment included an annual copy charge of \$81,690 and a blended capital lease payment of \$178,364. The blended capital lease payments under the new agreement are due over the next three years as follows:

	2009	2008
Capital lease obligation	\$ 512,757	\$ 656,756
Less current portion of debt	156,961	143,999
	\$ 355,796	\$ 512,757

School Year	Principal	Interest	Total
2009-2010	\$ 156,961	\$ 46,155	\$ 203,116
2010-2011	171,090	32,026	203,116
2011-2012	184,706	16,626	201,332
	\$ 512,757	\$ 94,807	\$ 607,564

ASPEN VIEW REGIONAL DIVISION NO. 19
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

10. DEFERRED CAPITAL ALLOCATIONS

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

	2009	2008
Consisting of:		
Opening balance	\$ 462,615	\$ -
Capital funding received	5,175,001	575,000
Interest earned	108,186	697
Proceeds on disposal of Newbrook School	125,000	-
Expended capital - transferred to unamortized capital allocations	(743,758)	(113,082)
	\$ 5,127,044	\$ 462,615

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

	2009	2008
Consisting of:		
Opening balance	\$ 7,025,404	\$ 7,191,750
Expended capital allocations	743,758	113,082
Supported debenture loan principal repayments	400,143	438,049
Less net book value of Newbrook School	(113,829)	-
Less capital allocation for amortization	(685,808)	(717,477)
	\$ 7,369,669	\$ 7,025,404

ASPEN VIEW REGIONAL DIVISION NO. 19
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

12. OPERATING RESERVES	Opening	Transfer from operating reserves	Transfer to operating reserves	Closing
Curriculum implementation	\$ 101,728	\$ (101,728)	\$ -	\$ -
Career counseling/scholarship	16,000	-	-	16,000
C.T.S.	250,000	(154,651)	-	95,349
Instruction - general	1,200,000	(165,395)	-	1,034,605
Instruction - schools	1,397,586	(33,176)	-	1,364,410
Operating contingency	760,094	-	-	760,094
Severe disabilities	431,342	-	200,067	631,409
SGF software	20,000	-	-	20,000
Teacherages	-	-	9,362	9,362
Technology	59,840	(59,840)	-	-
Transportation	664,809	(59,754)	-	605,055
Video conferencing	180,000	(98,916)	-	81,084
	\$ 5,081,399	\$ (673,460)	\$ 209,429	\$ 4,617,368

13. CAPITAL RESERVES	Opening	Transfer to reserve	Transfers from reserves	Closing
Buildings	\$ 95,000	\$ -	\$ -	\$ 95,000
Equipment	370,000	-	-	370,000
Other	30,392	-	-	30,392
Balance, end of period	\$ 495,392	\$ -	\$ -	\$ 495,392

14. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The School Division is exposed to minimal credit risk from customers. In order to reduce its credit risk, the School Division reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The School Board is dependant on Alberta Education as the major provider for funding as discussed in the Economic Dependence note. See Note 25.

Fair Value

The School Division's carrying value of cash and cash equivalents, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the School Division for debt with similar terms.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the School Division manages exposure through its normal operating and financing activities. The School Division is exposed to interest rate risk primarily through its long term debt.

15. INDEBTEDNESS

a) Line of credit

The jurisdiction has a line of credit in the amount of \$1,000,000 that bears interest at bank prime less 1/4%. This line of credit is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2009.

b) Credit cards

The jurisdiction has approved a combined credit card charge limit of \$795,000. The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2009 is \$254,471 (2008 - \$169,296).

c) SBEBA letter of credit

The jurisdiction has arranged for a \$200,000 letter of credit to secure its position in SBEBA. If the jurisdiction withdraws from SBEBA, the \$200,000 will be utilized to fund the exit penalty.

ASPEN VIEW REGIONAL DIVISION NO. 19**NOTES TO FINANCIAL STATEMENTS**

For the year ended August 31, 2009

16. COMMITMENTSi) *Building projects*

The jurisdiction is committed to further capital expenditures for the modernization of the Vilna school of approximately \$11,500,000. It is anticipated that these costs will be fully funded by the capital allocations received from Alberta Education. The project is underway and will continue until 2011. The expenditures to August 31, 2009 are \$856,840.

ii) *Operating lease*

The school jurisdiction's current operating lease on office and maintenance shop premises expires in June 30, 2024. The annual lease cost incurred in 2008-09 was \$65,000. The rent will be adjusted annually beginning in 2011 (on the first day of July) by an amount equal to the lessee's proportionate share of operating costs of the previous year.

17. CONTINGENCIESContingent Assets

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements as the value of the equity is subject to liability claims.

Contingent Liabilities

The jurisdiction is a member of the reciprocal insurance exchange ALAIRE. Under the terms of membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

18. SCHOOL GENERATED FUNDS

	2009	2008
Balance, beginning of year	\$ 556,642	\$ 468,051
Source of school generated funds (SGF)		
SGF for the year	2,351,410	2,064,927
Less: cost of generating SGF	(1,820,224)	(1,427,118)
Net SGF additions for the year	531,186	637,809
Net SGF available for discretionary spending	1,087,828	1,105,860
SGF expended for discretionary purposes	521,297	549,218
Balance, end of year	\$ 566,531	\$ 556,642

ASPEN VIEW REGIONAL DIVISION NO. 19

NOTES TO FINANCIAL STATEMENTS

For the year ended August 31, 2009

19. RELATED PARTY TRANSACTIONS

Effective 2005/06, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

All related party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

2008/09	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	\$ 24,156	\$ -	\$ 33,882,912	\$ -
Finance	125,520	638,277	164,887	164,887
Health & Wellness	-	-	-	-
Human Resources/Employment	-	-	-	-
Other Gov't of Alberta depts.	-	-	27,552	-
Other				
Health authorities	-	-	15,000	-
Post-secondary institutions	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Other related parties	-	-	-	-
TOTAL 2008/09	\$ 149,676	\$ 638,277	\$ 34,090,351	\$ 164,887
TOTAL 2007/08	\$ 184,447	\$ 475,521	\$ 33,580,291	\$ 205,312

ASPEN VIEW REGIONAL DIVISION NO. 19
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

20. REMUNERATION AND MONETARY INCENTIVES

The Aspen View Regional Division No. 19 had paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits & Allowances	Total	Reimbursed Expenses
Ponich, Paul (Chairman)	1	\$ 21,748	\$ 31	\$ 21,779	\$ 12,402
Bittorf, Brian	1	16,678	526	17,204	11,306
Fehr, Penny	1	12,192	3,336	15,528	7,655
Gerlach, Joe	1	9,888	3,786	13,674	4,194
Green, Teri	1	13,401	3,622	17,023	8,552
Koehler, Edgar	1	13,476	3,807	17,283	9,298
Kowalchuk, Wes	1	17,056	513	17,569	10,313
Rohatynchuk, Robert	1	14,130	375	14,505	10,567
Uglanica, Randy	1	15,591	476	16,067	10,152
Superintendent	1	134,322	11,542	145,864	7,753
Secretary/Treasurer	1	97,320	20,770	118,090	1,676
Salaries - Certificated	186.89	14,970,508	1,666,692	16,637,200	
Salaries - Uncertificated	164.77	6,530,224	1,460,437	7,990,661	
		\$ 21,866,534	\$ 3,175,913	\$ 25,042,448	

21. ASSET RETIREMENT OBLIGATION

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that results from its acquisition, construction, development, or normal operation. The jurisdiction has a legal obligation to remove hazardous material at the site of any school building. It is management's position that no obligation exists at this time and thus no liability has been recognized.

22. SUBSEQUENT EVENT

After year end, it was determined that Alberta Education will be reducing future funding to Aspen View Regional Division No. 19. In 2009-2010, the funding will be reduced by \$683,586. This is 10.5% of the accumulated operating surplus or \$225 per student. The reduction in 2010-2011 funding has yet to be determined by Alberta Education.

23. CAPITAL DISCLOSURES

The majority of the operating funding for the School Division is from Alberta Education which is received each month. Management monitors its working capital and cash flow forecasts.

Alberta Education approves school facilities construction based on long term capital plans and provides the majority of the funding through one-time grants. The School Division funds the required equipment and systems by a combination of allocating a portion of operating funds and fundraising activities by schools. Capital plans are evaluated each year by management. The School Division is currently modernizing the Vilna School which is expected to be completed by 2011.

ASPEN VIEW REGIONAL DIVISION NO. 19
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

24. FUTURE ACCOUNTING CHANGES

The Accounting Standards Board announced amendments to existing guidance which are relevant to not-for-profit organizations. These amendments are effective for years beginning on or after January 1, 2009 and impact the following guidance relevant to Aspen View Regional Division No. 19:

- CICA 4400 - *Financial Statement Presentation by not-for-profit organizations*
- CICA 4430 - *Capital Assets held by not-for-profit organizations*
- CICA 4460 - *Disclosure of Related Party Transactions by not-for-profit organizations*
- CICA 4470 - *Disclosure of Allocated Expenses by not-for-profit organizations*
- CICA 1540 - *Cash Flow Statements*

Aspen View Regional Division No. 19 has not yet assessed the impact of adopting these new standards on the financial position, reported results or disclosures and will only adopt those policies that are applicable to Aspen View Regional Division No. 19.

25. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Aspen View Regional Division No.19's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

26. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 19, 2008. The budget information is presented for information purposes only.

27. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2009 presentation.