

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

CLIENT'S COPY

**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**

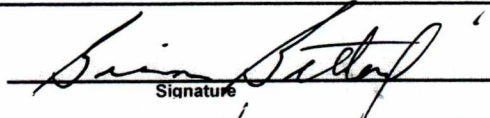
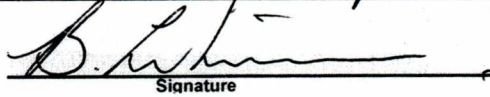
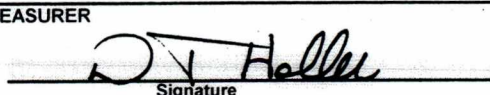
The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

**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.

<b>BOARD CHAIR</b>	
<b>Brian Bittorf</b> Name	 Signature
<b>SUPERINTENDENT</b>	
<b>Brian LeMessurier</b> Name	 Signature
<b>SECRETARY TREASURER OR TREASURER</b>	
<b>Dave Holler</b> 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: [Cindy.Wang@gov.ab.ca](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 (Toll free 310-0000)

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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, 2010 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 division'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 division as at August 31, 2010 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 28, 2010

*Wilde and Company*  
Chartered Accountants



**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments (Note 4)	\$8,769,596	\$13,731,391
Accounts receivable (net after allowances) (Note 5)	\$560,889	\$470,373
Prepaid expenses	\$385,330	\$122,903
Other current assets	\$0	\$0
<b>Total current assets</b>	\$9,715,815	\$14,324,667
School generated assets (Note 7)	\$602,967	\$566,531
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments (Note 6)	\$0	\$500,734
Capital assets (Note 8)		
Land	\$330,335	\$330,335
Construction in Progress	\$7,694,519	\$856,840
Buildings	\$29,247,935	
Less: accumulated amortization	(\$22,026,931)	\$7,824,700
Equipment	\$2,061,535	
Less: accumulated amortization	(\$1,664,903)	\$396,632
Vehicles	\$1,294,704	
Less: accumulated amortization	(\$594,334)	\$700,370
<b>Total capital assets</b>	\$16,342,860	\$10,151,545
<b>TOTAL ASSETS</b>	\$26,661,642	\$25,543,477
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 9)	\$2,715,998	\$2,071,186
Deferred revenue (Note 10)	\$279,753	\$296,062
Deferred capital allocations (Note 11)	\$1,018,433	\$5,127,044
Current portion of long term debt	\$560,433	\$546,034
<b>Total current liabilities</b>	\$4,574,617	\$8,040,326
School generated liabilities (Note 7)	\$602,967	\$566,531
Trust liabilities	\$0	\$0
Employee future benefit liabilities	\$369,234	\$315,972
Long term debt (Note 12)		
Supported: Debentures and other supported debt	\$1,289,241	\$1,678,584
Less: Current portion	(\$389,343)	(\$389,343)
Unsupported: Debentures and Capital Loans	\$355,796	\$512,757
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	(\$171,090)	(\$156,691)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 13)	\$13,275,173	\$7,369,669
<b>Total long term liabilities</b>	\$15,331,978	\$9,897,479
<b>TOTAL LIABILITIES</b>	\$19,906,595	\$17,937,805
<b>NET ASSETS</b>		
Unrestricted net assets	\$1,418,596	\$1,902,376
Operating Reserves (Note 14)	\$3,418,408	\$4,617,368
Accumulated Operating Surplus (Deficit)	\$4,837,004	\$6,519,744
Investment in capital assets	\$1,422,651	\$590,536
Capital Reserves (Note 15)	\$495,392	\$495,392
Total Capital Funds	\$1,918,043	\$1,085,928
<b>Total net assets</b>	\$6,755,047	\$7,605,672
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$26,661,642	\$25,543,477

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.



**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2010**  
(in dollars)

	Actual 2010	Budget 2010 (Note)	Actual 2009 (Note 3) Restated
<b>REVENUES</b>			
Government of Alberta	\$33,353,982	\$32,872,553	\$34,105,351
Federal Government and First Nations	\$1,808,581	\$1,550,354	\$1,598,798
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	\$196,393	\$209,880	\$234,149
Transportation fees	\$0	\$0	\$0
Other sales and services	\$0	\$0	\$0
Investment income	\$395,061	\$260,000	\$281,474
Gifts and donations	\$14,942	\$0	\$22,209
Rental of facilities	\$0	\$0	\$0
Gross school generated funds	\$2,078,436	\$600,000	\$2,341,521
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$636,656	\$636,656	\$685,808
Other revenue	\$627,326	\$819,692	\$636,487
<b>Total Revenues</b>	<b>\$39,111,377</b>	<b>\$36,949,135</b>	<b>\$39,905,797</b>
<b>EXPENSES</b>			
Certificated salaries	\$16,186,020	\$15,920,811	\$15,104,830
Certificated benefits	\$1,768,033	\$1,800,066	\$1,678,232
Non-certificated salaries and wages	\$7,120,154	\$6,796,928	\$6,761,704
Non-certificated benefits	\$1,634,187	\$1,528,301	\$1,497,681
Services, contracts and supplies	\$10,023,587	\$10,730,877	\$11,434,852
Gross school generated funds	\$2,078,436	\$600,000	\$2,341,521
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$636,656	\$636,656	\$685,808
Unsupported	\$368,735	\$399,535	\$545,269
<b>Total Amortization of capital assets</b>	<b>\$1,005,391</b>	<b>\$1,036,191</b>	<b>\$1,231,077</b>
Interest on capital debt			
Supported	\$127,257	\$156,423	\$164,887
Unsupported	\$124,058	\$43,871	\$107,507
<b>Total Interest on capital debt</b>	<b>\$251,315</b>	<b>\$200,294</b>	<b>\$272,394</b>
Other interest and charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$40,067,123</b>	<b>\$38,613,466</b>	<b>\$40,322,291</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$955,746)	(\$1,664,331)	(\$416,494)
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$955,746)</b>	<b>(\$1,664,331)</b>	<b>(\$416,494)</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.



**STATEMENT OF CASH FLOWS**

for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note) Restated
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$955,746)	(\$416,494)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$636,656)	(\$685,808)
Total amortization expense	\$1,005,391	\$1,231,077
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$90,516)	\$85,811
Prepays and other current assets	(\$262,427)	\$177,463
Long term accounts receivable	\$0	\$0
Long term investments	\$500,734	\$1,491,014
Accounts payable and accrued liabilities	\$644,812	\$150,072
Deferred revenue	(\$16,309)	(\$33,850)
Employee future benefit liabilities	\$53,262	\$42,686
Other (describe) Unrealized gain or loss on investments	\$105,121	\$271,320
<b>Total cash flows from Operations</b>	<b>\$347,666</b>	<b>\$2,313,291</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$12,550)
Buildings	(\$7,003,680)	(\$743,757)
Equipment	\$0	\$0
Vehicles	(\$193,026)	(\$316,154)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$7,196,706)</b>	<b>(\$1,072,461)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$2,044,206	\$5,408,186
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$546,304)	(\$544,142)
Add back: supported portion	\$389,343	\$400,143
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$1,887,245</b>	<b>\$5,264,187</b>
<b>Net cash flows from during the year</b>	<b>(\$4,961,795)</b>	<b>\$6,505,017</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$13,731,391</b>	<b>\$7,226,374</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$8,769,596</b>	<b>\$13,731,391</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.



**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

School Jurisdiction Code: 2125

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS <small>Cols. 2+3+4+5</small>	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES <small>Cols. 6+8+10+12+14</small>	TOTAL CAPITAL RESERVES <small>Cols. 7+9+11+13+15</small>	School & Instruction Related		Operations & Maintenance		Board & System Admin.		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
<b>Balance at August 31, 2009</b>	\$7,605,672	\$590,536	\$1,902,376	\$4,617,368	\$495,392	\$4,012,314	\$495,392	\$0	\$0	\$605,054	\$0	\$0	\$0	\$0	\$0
<u>Prior period adjustments</u> (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug.31, 2009</b>	\$7,605,672	\$590,536	\$1,902,376	\$4,617,368	\$495,392	\$4,012,314	\$495,392	\$0	\$0	\$605,054	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$955,746)		(\$955,746)												
Board funded capital additions		\$1,043,889	(\$1,043,889)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$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	\$105,121	\$0	\$105,121												
Amortization of capital assets		(\$1,005,391)	\$1,005,391												
Amortization of capital allocations		\$636,656	(\$636,656)												
Debt principal repayments (unsupported)		\$156,961	(\$156,961)												
Net transfers to operating reserves			(\$8,862)	\$8,862		\$8,862		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$1,207,822	(\$1,207,822)		(\$1,207,822)		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0		\$0		\$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
<b>Balance at August 31, 2010</b>	\$6,755,047	\$1,422,651	\$1,418,596	\$3,418,408	\$495,392	\$2,813,354	\$495,392	\$0	\$0	\$605,054	\$0	\$0	\$0	\$0	\$0



School Jurisdiction Code: 2125

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
**for the Year Ended August 31, 2010**  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2009</b>	\$5,127,044	\$7,369,669
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$5,127,044	\$7,369,669
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$1,950,380	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$93,826	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$0
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$389,343
<b>Expended capital allocations - current year</b>	(\$6,152,817)	\$6,152,817
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$636,656
<b>Balance at August 31, 2010</b>	\$1,018,433	\$13,275,173

\* 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, 2010

**1. AUTHORITY AND PURPOSE**

The school division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The division is exempt from income taxes under section 149(1)(c) of the Income Tax Act. Accordingly, there is no provision for income taxes in these financial statements.

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

**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, 2010

d) Financial Instruments

The financial instruments of Aspen View Regional Division No. 19 consist of cash, receivables, investments, payables, and long term debt. The division 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:

<b>Financial Instruments</b>	<b>Category</b>	<b>Measurement</b>
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) 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.).

f) 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, 2010

g) 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 \$599,962 for the year ended August 31, 2010 (2009 - \$497,859). At December 31, 2009, the Local Authorities Pension Plan reported an actuarial deficiency of \$3,998,614,000 (2008 a deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

h) 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.

i) Operating and Capital Reserves

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

j) 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.

k) Employee Future Benefits

The division accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2010, the recorded obligation is \$369,234 (2009 - \$315,972). The total expense recorded in the financial statements is \$53,262 (2009 - \$42,686).

l) 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, 2010

m) 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.

n) Cash and temporary investments

Cash includes cash and cash equivalents. Cash equivalents include temporary investments that are due within one year. Carrying value approximates fair market value as the investments mature within one year. Some investments are carried at fair market value due their classification as available-for-sale.

o) Operating and capital reserves

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

**3. CHANGE IN ACCOUNTING POLICY**

During the year, Aspen View Regional Division No. 19 adopted the provisions of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 4400, "Financial Statement Presentation by Not-for-Profit Organizations" which requires revenues and expenses be recognized and presented at their gross amounts when an organization is acting as a principal in transactions. This change in accounting policy has been accounted for retrospectively, and the comparative statements for August 31, 2009 have been restated. The change has increased the school generated funds revenue and expenditures to \$2,341,521 from \$521,297. This has resulted in no effect on net assets or net income as the revenues and expenditures are equal.

**4. CASH AND TEMPORARY INVESTMENTS**

	<b>2010</b>	<b>2009</b>
Cash	\$ 2,305,986	\$ 3,810,089
Fixed income bonds	500,734	1,491,014
Trust units	5,962,876	8,430,289
	<b>\$ 8,769,596</b>	<b>\$ 13,731,392</b>

The short term investments have effective interest rates of 3.79 % and mature within the next year.

The fair market value of the cash account is \$2,305,986 (2009 - \$3,810,089). The fair market value of the fixed income bonds is \$556,400 (2009 - \$1,553,506). The amortized cost of the trust units is \$5,586,436 (2009 - \$8,158,969).

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

**5. ACCOUNTS RECEIVABLE**

	<b>2010</b>	<b>2009</b>
Alberta Education	\$ 90,735	\$ 1,490
Alberta Finance	96,354	125,520
Federal Government	293,144	191,346
Other accounts receivable	80,656	152,017
	<b>\$ 560,889</b>	<b>\$ 470,373</b>



**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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<b>6. LONG TERM INVESTMENTS</b>	<b>2010</b>	<b>2009</b>
Fixed income bonds	\$ -	\$ 500,734

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 \$nil (2009 - \$549,265).

<b>7. SCHOOL GENERATED FUNDS</b>	<b>2010</b>	<b>2009</b>
Balance, beginning of year	\$ 566,531	\$ 556,642
Source of school generated funds (SGF)		
SGF for the year	2,114,872	2,351,410
Less: cost of generating SGF	(1,523,314)	(1,820,224)
Net SGF additions for the year	591,558	531,186
Net SGF available for discretionary spending	1,158,089	1,087,828
SGF expended for discretionary purposes	555,122	521,297
Balance, end of year	\$ 602,967	\$ 566,531



**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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**8. CAPITAL ASSETS**

	Land \$	Construction In Progress \$	Buildings \$	Equipment \$	Vehicles \$	Equipment under capital lease \$	2010 Total \$	2009 Total \$
Estimated Useful life			10 - 40 years	5 years	5 years	5 years		
<b>Historical cost</b>								
September 1, 2009	330,335	856,840	29,081,934	801,443	1,101,678	1,260,092	33,432,322	33,531,105
Additions		6,837,679	166,001		193,026		7,196,706	1,072,463
Less disposals including write-offs							-	(1,171,246)
August 31, 2010	330,335	7,694,519	29,247,935	801,443	1,294,704	1,260,092	40,629,028	33,432,322
<b>Accumulated amortization</b>								
September 1, 2009	-	-	21,257,234	578,197	483,443	961,903	23,280,777	23,107,119
Amortization expense	-	-	769,697	25,407	110,891	99,396	1,005,391	1,231,077
Effect of disposals	-	-					-	(1,057,419)
August 31, 2010	-	-	22,026,931	603,604	594,334	1,061,299	24,286,168	23,280,777
<b>Net book value at August 31, 2010</b>	330,335	7,694,519	7,221,004	197,839	700,370	198,793	16,342,860	10,151,545

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<b>9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</b>	<b>2010</b>		<b>2009</b>	
Alberta Finance	\$	96,354	\$	125,520
Other trade payables and accrued liabilities		2,619,644		1,945,666
	\$	2,715,998	\$	2,071,186

**10. DEFERRED REVENUE**

Source and Grant or Fund Type	Deferred Revenue as at Aug. 31, 2009	Add: 2009-10 Restricted Funds Received/ Receivable	Deduct: 2009-10 Restricted Funds Expended (Paid/Payable)	Deferred Revenue as at Aug. 31, 2010
<b>Alberta Education Restricted Operational Funding</b>				
Infrastructure maintenance renewal	\$ 35,651	\$ 658,110	\$ (665,430)	\$ 28,331
<b>Other Restricted Revenue</b>				
Career Corner	5,981		(2,638)	3,343
CTS Evergreen	-	107,424	(91,256)	16,168
Education Children & Youth Service	125,000		(16,214)	108,786
High School Completion	-	59,060	(3,094)	55,966
Moving & Improving	14,974		(6,349)	8,625
Software as a Service	111,456		(54,922)	56,534
Other programs	3,000		(1,000)	2,000
	\$ 296,062	\$ 824,594	\$ (840,903)	\$ 279,753

**11. DEFERRED CAPITAL ALLOCATIONS**

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

	<b>2010</b>		<b>2009</b>	
Consisting of:				
Opening balance	\$	5,127,044	\$	462,615
Capital funding received		1,950,380		5,175,001
Interest earned		93,826		108,186
Proceeds on disposal of Newbrook School		-		125,000
Expended capital - transferred to unamortized capital allocations		(6,152,817)		(743,758)
	\$	1,018,433	\$	5,127,044

**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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**12. 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:

	2010	2009
Debentures	\$ 1,289,241	\$ 1,678,584
Less current portion of debt	389,343	389,343
	\$ 899,898	\$ 1,289,241

School Year	Principal	Interest	Total
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
2014-2015	128,672	12,356	141,028
2015 to maturity			0
	\$ 1,289,241	\$ 300,824	\$ 1,590,066

b) Capital Lease - Unsupported

During 2006-07, the school division 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:

	2010	2009
Capital lease obligation	\$ 355,796	\$ 512,757
Less current portion of debt	171,090	156,961
	\$ 184,706	\$ 355,796

School Year	Principal	Interest	Total
2010-2011	171,090	32,026	203,116
2011-2012	184,706	16,626	201,332
	\$ 355,796	\$ 48,652	\$ 404,448



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**13. 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.

	2010	2009
Consisting of:		
Opening balance	\$ 7,369,669	\$ 7,025,405
Expended capital allocations	6,152,817	743,758
Supported debenture loan principal repayments	389,343	400,143
Less net book value of Newbrook School	-	(113,829)
Less capital allocation for amortization	(636,656)	(685,808)
	\$ 13,275,173	\$ 7,369,669

**14. OPERATING RESERVES**

	Opening	Transfer from operating reserves	Transfer to operating reserves	Closing
Career counselling/scholarship	\$ 16,000			\$ 16,000
C.T.S.	95,349	(23,666)		71,683
Instruction - general	1,034,605			1,034,605
Instruction - schools	1,364,410	(1,103,072)		261,338
Operating contingency	780,094			780,094
Severe disabilities	631,409			631,409
Teacherages	9,362		8,862	18,224
Technology	-			-
Transportation	605,055			605,055
Video conferencing	81,084	(81,084)		-
	\$ 4,617,368	\$ (1,207,822)	\$ 8,862	\$ 3,418,408

**15. 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

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**16. FINANCIAL INSTRUMENTS**

It is management's policy to control the risks associated with financial instruments including avoidance of undue concentrations of risk where possible. This requires a credit review history of customers to mitigate credit risk and entering into long term debt contracts with fixed interest rates where possible. The School Division does not have any foreign currency transactions or hedge activities.

a) 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.

b) Fair Value

The School Division's carrying value of cash and temporary investments, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments. The division has invested surplus funds in accordance with Section 60(2)(d) of the School Act.

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.

c) 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.

**17. INDEBTEDNESS**

a) Line of credit

The division has a line of credit in the amount of \$1,000,000 that bears interest at bank prime less 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2010.

b) Credit cards

The division has approved a combined credit card charge limit of \$865,000. 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, 2010 is \$222,217 (2009 - \$254,471).

c) SBEBA letter of credit

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



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**18. COMMITMENTS**

a) Building projects

The division 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, 2010 are \$7,009,657 (2009 - \$856,840).

b) Operating lease

The school division's current operating lease on office premises expires in June 30, 2024. The annual lease cost incurred in 2009-2010 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.

**19. CONTINGENCIES**

a) Contingent Assets

The division 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.

b) Contingent Liabilities

The division is a member of the reciprocal insurance exchange ALAIRE. Under the terms of membership, the division 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.

The division is involved in a lawsuit with the former Minister of Education regarding school boundaries established for Lakeland Catholic School Division. Legal fees incurred to date are approximately \$456,000. Further legal fees will be incurred in the future, as the lawsuit has only progressed to examination of discovery at this point. Management estimates that there will be no other financial gain or cost.

**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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**20. RELATED PARTY TRANSACTIONS**

Effective 2005/06, and in accordance to criteria set out in PSAB 1300, which is the financial reporting framework for the Government of Alberta, school jurisdictions are deemed to be controlled by the Government of Alberta. 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.

2009/10	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	\$ 90,735	\$ -	\$ 33,188,123	\$ -
Finance	96,354	1,385,595	127,257	127,257
Other Gov't of Alberta depts.	-	-	24,565	-
Other				
Health authorities	-	-	14,037	-
<b>TOTAL 2009/10</b>	<b>\$ 187,089</b>	<b>\$ 1,385,595</b>	<b>\$ 33,353,982</b>	<b>\$ 127,257</b>
<b>TOTAL 2008/09</b>	<b>\$ 149,676</b>	<b>\$ 638,277</b>	<b>\$ 34,090,351</b>	<b>\$ 164,887</b>



**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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**21. REMUNERATION AND MONETARY INCENTIVES**

The Aspen View Regional Division No. 19 had paid or accrued expenses for the year ended August 31, 2010 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	\$ 23,260	\$ 39	\$ 23,299	\$ 13,390
Bittorf, Brian	1	15,150	474	15,624	12,380
Fehr, Penny	1	11,271	3,467	14,738	7,363
Gerlach, Joe	1	11,444	3,491	14,935	3,652
Green, Teri	1	9,542	3,353	12,895	5,815
Koehler, Edgar	1	12,503	3,737	16,240	8,428
Kowalchuk, Wes	1	18,237	564	18,801	10,486
Rohatynchuk, Robert	1	14,350	369	14,719	10,226
Uglanica, Randy	1	15,284	457	15,741	10,153
Superintendent	1	138,650	12,226	150,876	9,966
Secretary/Treasurer	1	98,359	21,189	119,548	1,482
Salaries - Certificated	186.85	16,047,370	1,755,807	17,803,177	
Salaries - Uncertificated	164.77	6,890,754	1,597,047	8,487,801	
		\$ 23,306,174	\$ 3,402,220	\$ 26,708,394	

**22. 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.

**23. CAPITAL DISCLOSURES**

The School Division manages its capital to safeguard its ability to deliver services to the schools located within the School Division boundaries, and in the long term, to continue to plan for and build sufficient physical capacity to meet future needs for school services. The School Division's overall strategy remains unchanged from 2009.

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.

The District defines its capital as the amounts included in deferred capital contributions (Note 11) and unrestricted net assets. A significant portion of the District's capital is externally restricted. The District's unrestricted capital is funded primarily by Alberta Education. The District has spending policies and cash management procedures to ensure the District can meet its capital obligations.

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.

Under the School Act, the District must receive ministerial approval for a deficit budget, borrowing and the sale of any land or buildings. The School Division has complied with all the externally imposed restrictions of Alberta Education.

**ASPEN VIEW REGIONAL DIVISION NO. 19**  
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**24. FUTURE ACCOUNTING CHANGES**

The Accounting Standards Board announced the establishment of new accounting standards for not-for-profit organizations in Part III of the CICA Handbook. These new standards have been approved but not released at this time. There are no significant changes to sections 4400 to 4470 that are included in Part V of the CICA Handbook which form the basis for the new financial reporting framework.

**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 division and approved by the Board of Trustees on November 19, 2009. The budget information is presented for information purposes only.

**27. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2010 presentation.