

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Battle River Regional Division #31

Legal Name of School Jurisdiction

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Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Battle River Regional Division #31 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 budgetary system of 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 the Board 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 have full and free 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 for Alberta school jurisdictions.

BOARD CHAIRMAN	
Cheryl Smith <small>Name</small>	"ORIGINAL SIGNED" <small>Signature</small>

SUPERINTENDENT	
Dr. Larry Payne <small>Name</small>	"ORIGINAL SIGNED" <small>Signature</small>

SECRETARY TREASURER OR TREASURER	
William Schulte, CGA <small>Name</small>	"ORIGINAL SIGNED" <small>Signature</small>

27-Nov-07

Board-approved Release Date

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Chartered Accountants

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3.

AUDITORS' REPORT

To the Board of Trustees
Battle River Regional Division No. 31

We have audited the statement of financial position of the Battle River Regional Division No. 31 as at August 31, 2007 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 an audit to obtain reasonable assurance 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, 2007 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.

"Original Signed"

Chartered Accountants

Camrose, Alberta
November 27, 2007

STATEMENT OF FINANCIAL POSITION
as at August 31, 2007

(in dollars)

	2007	2006 (Note)
ASSETS		
Current assets		
Cash and temporary investments	\$13,788,523	\$11,503,223
Accounts receivable (net after allowances)	\$1,020,929	\$1,208,218
Prepaid expenses	\$589,125	\$457,453
Other current assets	\$769,407	\$574,622
Total current assets	\$16,167,984	\$13,743,516
School generated assets	\$960,840	\$890,256
Trust assets	\$600,949	\$624,099
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,151,724	\$1,151,724
Buildings	\$71,066,961	
Less: accumulated amortization	(\$39,476,147)	\$31,590,814
Equipment	\$6,145,771	
Less: accumulated amortization	(\$3,675,489)	\$2,470,282
Vehicles	\$9,577,543	
Less: accumulated amortization	(\$5,824,883)	\$3,752,660
Total capital assets	\$38,965,480	\$40,378,698
TOTAL ASSETS	\$56,695,253	\$55,636,569
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$3,114,248	\$3,039,912
Deferred revenue	\$2,715,917	\$656,283
Deferred capital allocations	\$219,300	\$23,668
Current portion of all long term debt	\$998,221	\$998,221
Total current liabilities	\$7,047,686	\$4,718,084
School generated liabilities	\$960,840	\$890,256
Trust liabilities	\$600,949	\$624,099
Employee future benefits liability	\$0	\$0
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$6,767,480	\$7,765,700
Less: Current portion of supported debt	(\$998,221)	(\$998,221)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations	\$14,616,253	\$14,985,730
Total long term liabilities	\$21,947,301	\$23,267,564
TOTAL LIABILITIES	\$28,994,987	\$27,985,648
NET ASSETS		
Unrestricted net assets	\$1,216,033	\$1,216,033
Operating Reserves	\$8,896,119	\$8,651,187
Accumulated Operating Surplus (Deficit)	\$10,112,152	\$9,867,220
Investment in capital assets	\$17,581,747	\$17,627,268
Capital Reserves	\$6,367	\$156,433
Total Capital Funds	\$17,588,114	\$17,783,701
Total net assets	\$27,700,266	\$27,650,921
TOTAL LIABILITIES AND NET ASSETS	\$56,695,253	\$55,636,569

Note: Input "(Restated)" in 2006 column heading where comparatives are not taken from the finalized 2005-2006 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2007

(in dollars)

	Actual 2007	Budget 2007 (Note)	Actual 2006 (Note)
REVENUES			
Government of Alberta	\$62,768,883	\$64,937,611	\$61,390,894
Federal Government and/or First Nations	\$39,896	\$99,600	\$91,025
Other Alberta school authorities	\$3,455	\$0	\$12,304
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$362	\$0	\$0
Instruction resource fees	\$578,628	\$607,153	\$556,859
Transportation fees	\$26,703	\$25,000	\$25,283
Other sales and services	\$895,516	\$431,945	\$969,119
Investment income	\$602,918	\$300,000	\$429,323
Gifts and donations	\$47,229	\$2,100	\$50,822
Rentals of facilities	\$22,171	\$12,000	\$16,431
Net school generated funds	\$1,264,450	\$1,003,820	\$1,209,614
Gains on disposal of capital assets	\$36,020	\$0	\$6,002
Amortization of capital allocations	\$1,561,090	\$1,542,488	\$1,542,483
Total Revenues	\$67,847,321	\$68,961,717	\$66,300,159
EXPENSES			
Certificated salaries	\$32,346,473	\$32,612,911	\$31,751,633
Certificated benefits	\$3,342,750	\$3,264,230	\$3,059,137
Non-certificated salaries and wages	\$12,024,443	\$11,668,245	\$11,578,268
Non-certificated benefits	\$2,451,134	\$2,970,660	\$1,955,401
Services, contracts and supplies	\$12,315,057	\$16,075,113	\$12,292,025
Net school generated funds	\$1,264,450	\$1,003,820	\$1,209,614
Capital and debt services			
Amortization of capital assets			
Supported	\$1,561,090	\$1,542,488	\$1,542,483
Unsupported	\$1,772,699	\$1,902,800	\$1,902,804
Total Amortization of capital assets	\$3,333,789	\$3,445,288	\$3,445,287
Interest on capital debt			
Supported	\$719,714	\$778,194	\$835,659
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$719,714	\$778,194	\$835,659
Other interest charges	\$166	\$0	\$224
Losses on disposal of capital assets	\$0	\$0	\$17,301
Total Expenses	\$67,797,976	\$71,818,461	\$66,144,549
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$49,345	(\$2,856,744)	\$155,610
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$49,345	(\$2,856,744)	\$155,610

Note: Input "(Restated)" in Budget 2007 and/or Actuals 2006 column headings where comparatives are not taken from the respective finalized 2006-2007 Budget Report and/or finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2007

(in dollars)

	2007	2006 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses for the year	\$49,345	\$155,610
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,561,090)	(\$1,542,483)
Total amortization expense	\$3,333,789	\$3,445,287
Gains on disposal of capital assets	(\$36,020)	(\$6,002)
Losses on disposal of capital assets	\$0	\$17,301
Changes in accrued accounts:		
Accounts receivable	\$187,289	\$1,126,074
Prepays and other current assets	(\$326,457)	\$31,215
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$74,336	(\$159,758)
Deferred revenue	\$2,059,634	(\$315,040)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$3,780,826	\$2,752,204
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$322,406)	(\$316,996)
Equipment	(\$631,522)	(\$896,071)
Vehicles	(\$1,003,913)	(\$57,976)
Net proceeds from disposal of capital assets	\$63,114	\$14,634
Other (describe)		\$0
Total sources (uses) of cash from Investing activities	(\$1,894,727)	(\$1,256,409)
C. FINANCING ACTIVITIES		
Capital allocations	\$399,201	\$480,197
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$998,220)	(\$1,149,983)
Add back: supported portion	\$998,220	\$1,149,983
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$399,201	\$480,197
Net sources (uses) of cash during year	\$2,285,300	\$1,975,992
Cash and temporary investments, net of bank indebtedness, at Aug. 31/06	\$11,503,223	\$9,527,231
Cash and temporary investments, net of bank indebtedness, at Aug. 31/07	\$13,788,523	\$11,503,223

Note: Input "(Restated)" in 2006 column heading where not taken from the finalized 2005-2006 Audited Financial Statements filed with Alberta Education.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2007
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
Balance at August 31, 2006	\$27,650,921	\$17,627,268	\$1,216,033	\$8,651,187	\$156,433
<u>Prior period adjustments (describe)</u>					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2006	\$27,650,921	\$17,627,268	\$1,216,033	\$8,651,187	\$156,433
Excess(def) of revenue over expenses	\$49,345		\$49,345		
Board funded capital transactions		\$1,754,272	(\$90,449)	(\$1,450,643)	(\$213,180)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$3,333,789)	\$3,333,789		
Amortization of capital allocations		\$1,561,090	(\$1,561,090)		
Disposal of unsupported capital assets	\$0	(\$27,094)	(\$36,020)		\$63,114
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0	\$0		
Net transfers to operating reserves			(\$1,695,575)	\$1,695,575	
Net transfers from operating reserves			\$0	\$0	
Net transfers to capital reserves			\$0		\$0
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2007	\$27,700,266	\$17,581,747	\$1,216,033	\$8,896,119	\$6,367

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2007
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2006	\$23,668	\$14,985,730
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2006	\$23,668	\$14,985,730
Add:		
Restricted capital allocations from: Alberta Education-School/Modular Project Capital *	\$0	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$250,000	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$4,892	
Other capital grants and donations	\$144,309	
Net Proceeds on disposal of supported capital assets	\$0	
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		\$998,220
Expended capital allocations - current year	(\$203,569)	\$203,569
Less:		
Net book value of supported capital assets disposition, write-off, or transfer; Other	\$0	\$10,176
Capital allocations amortized to revenue		\$1,561,090
Balance at August 31, 2007	\$219,300	\$14,616,253

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

BATTLE RIVER REGIONAL DIVISION NO. 31
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007

1. Authority and Purpose:

Battle River Regional Division No. 31 delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School 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. Summary of Significant Accounting Policies:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. 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 below:

a) 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.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

b) Capital Assets

Capital assets costing greater than \$5,000 are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	10 to 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years

In the year of acquisition, no amortization is recorded. In year of disposal, a full year of amortization is calculated. Capital assets allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

BATTLE RIVER REGIONAL DIVISION NO. 31
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED AUGUST 31, 2007

2. Summary Of Significant Accounting Policies (continued):

c) Prepaid Expense

Certain expenditures incurred and paid 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 and annual service contracts fall into this category.

d) Inventories

Inventories are recorded at the lower of cost or net realizable value.

e) School Generated Funds

These are funds which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. 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.

g) Contributed Services

Volunteers assist schools operated by the Jurisdiction in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is not otherwise purchased, contributed services are not recognized in the financial statements.

h) Pension Obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service 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 Battle River Regional Division No. 31 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, 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 \$634,628 for the year ended August 31, 2007. As at December 31, 2006, the Local Authorities Pension Plan reported an actuarial deficiency of \$746,651,000 (2005 deficiency of \$863,558,000).

BATTLE RIVER REGIONAL DIVISION NO. 31
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED AUGUST 31, 2007

2. Summary Of Significant Accounting Policies (continued):

i) Employee Future Benefits

The Jurisdiction accrues its obligations under employee future benefits plans and expenses the related costs. There is no financial impact on the jurisdiction at this time.

j) Financial Instruments

The Jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the Jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair market value of the financial instruments approximate their carrying value. The Jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

3. Accounts Receivable:

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 229,581	\$ 262,618
Alberta Infrastructure and Transportation	-	154,583
Alberta Finance	393,402	451,882
Other Province of Alberta	36,180	21,300
Federal Government	94,991	103,540
Other	<u>266,775</u>	<u>214,295</u>
	<u>\$ 1,020,929</u>	<u>\$ 1,208,218</u>

4. Bank Indebtedness:

The Jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2007.

5. Accounts Payable And Accruals:

	<u>2007</u>	<u>2006</u>
Alberta Education	\$ 195,670	\$ 102,703
Alberta Finance	393,402	451,883
Other Province of Alberta	40,475	39,952
Federal Government	655,290	654,296
Other Trade Payable and Accrued Liabilities	1,809,059	1,791,078
Other School Jurisdictions	<u>20,352</u>	<u>-</u>
	<u>\$ 3,114,248</u>	<u>\$ 3,039,912</u>

BATTLE RIVER REGIONAL DIVISION NO. 31
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED AUGUST 31, 2007

6. Deferred Revenue:

	<u>2007</u>	<u>2006</u>
Infrastructure Maintenance and Renewal	\$ 2,567,084	\$ 512,808
Infrastructure - other	87,980	87,980
Fees and other	21,514	55,495
Alberta Initiative for School Improvement	<u>39,339</u>	<u>-</u>
	<u>\$ 2,715,917</u>	<u>\$ 656,283</u>

7. Trust Liabilities:

	<u>2007</u>	<u>2006</u>
Trust funds for scholarships	\$ 599,569	\$ 619,757
Damage deposits	519	497
Student travel	205	192
Early childhood services	<u>656</u>	<u>3,653</u>
	<u>\$ 600,949</u>	<u>\$ 624,099</u>

8. Long-Term Debt:

a) The debenture debt bears interest rates varying between 7.375% to 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows;

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-2008	\$ 998,221	\$ 674,995	\$ 1,673,216
2008-2009	840,938	571,795	1,412,733
2009-2010	794,071	485,363	1,279,434
2010-2011	725,787	404,223	1,130,010
2011-2012	664,065	331,243	995,308
2012 to maturity	<u>2,744,398</u>	<u>827,542</u>	<u>3,571,940</u>
Total	<u>\$ 6,767,480</u>	<u>\$ 3,295,161</u>	<u>\$ 10,062,641</u>

b) As the debentures are fully supported by grants, the amount of working capital (current assets minus current liabilities) available is understated by \$998,221 as at August 31, 2007 (2006 - \$998,221).

BATTLE RIVER REGIONAL DIVISION NO. 31

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED AUGUST 31, 2007

9. Reserves:

Reserves created by authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with the terms and conditions established by the Board.

	<u>Balance Beginning</u>	<u>Appropriated</u>	<u>Utilized</u>	<u>Balance Ending</u>
Operating				
Instruction	\$ 1,490,196	\$ -	\$ 595,001	\$ 895,195
School budgets	1,231,394	454,393	25,013	1,660,774
Special education	955,871	201,957	57,273	1,100,555
Computer services	118,080	91,757	23,544	186,293
Classroom Learning Conditions	687,051	658,886	642,687	703,250
Operations and maintenance	1,136,485	885,491	416,477	1,605,499
System administration	1,149,563	52,823	47,795	1,154,591
Transportation	<u>1,882,547</u>	<u>371,701</u>	<u>664,286</u>	<u>1,589,962</u>
	<u>8,651,187</u>	<u>2,717,008</u>	<u>2,472,076</u>	<u>8,896,119</u>
Capital				
Equipment	<u>156,433</u>	<u>63,114</u>	<u>213,180</u>	<u>6,367</u>
	<u>\$ 8,807,620</u>	<u>\$ 2,780,122</u>	<u>\$ 2,685,256</u>	<u>\$ 8,902,486</u>

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.

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 assets. The unamortized capital allocations account balances is increased by transfers of deferred capital allocation expended, as well as fully-supported debenture principal repayments.

12. Contingencies:

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

BATTLE RIVER REGIONAL DIVISION NO. 31

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED AUGUST 31, 2007

13. Related Party Transactions:

Effective 2005/2006, 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.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u> (@ cost or net realizable value)	<u>Liabilities</u> (@ fair value)	<u>Revenues</u>	<u>Expenses</u>
2006-2007				
Government of Alberta				
Education	\$ 229,581	\$ 2,992,640	\$ 61,819,597	\$ 350,525
Infrastructure & transportation	-	87,980	-	-
Finance	393,402	393,402	719,714	719,714
Health & Wellness	-	40,475	-	-
Human Resources/ Employment	32,700	-	147,400	-
Other Government of Alberta departments	2,775	-	73,096	37,131
Other				
Health authorities	705	-	9,076	29,733
Post-secondary institutions	-	-	-	4,239
Other Alberta school jurisdictions	-	20,352	3,455	147,360
Total 2006-2007	\$ 659,163	\$ 3,534,849	\$ 62,772,338	\$ 1,288,702
Total 2005-2006	\$ 890,383	\$ 1,370,276	\$ 61,412,272	\$ 1,464,409

14. Economic Dependence On Related Third Party:

The Battle River Regional Division No. 31's primary source of income is from the Alberta Government. The Jurisdiction's ability to continue viable operations is dependent on this funding.

15. Budget Amounts:

The budget was prepared by the Jurisdiction's management with the Board of Trustees approval given on December 14, 2006. It is presented for information purposes only and has not been audited.

BATTLE RIVER REGIONAL DIVISION NO. 31

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED AUGUST 31, 2007

16. Renumeration and Monetary Incentives:

The Battle River Regional Division No. 31 had paid or accrued expenses for the year ended August 31, 2007 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Allowances	Expenses
Chair					
Brenda Herder	1.00	\$ 24,367	\$ 4,292	\$ -	\$ 6,320
Other Members					
Cheryl Smith	1.00	26,874	4,039	-	7,293
Gerry Oberg	1.00	23,231	2,102	-	9,758
Rebecca Heiberg	1.00	19,426	4,711	-	4,799
Patricia Zeniuk	1.00	23,223	4,892	-	8,421
Ken Offord	1.00	21,447	4,812	-	4,674
Victor Petruk	1.00	19,592	3,721	-	6,869
Hameed Syed	1.00	14,570	-	-	2,026
Subtotal		<u>172,730</u>	<u>28,569</u>	<u>-</u>	<u>50,160</u>
Superintendent					
Warren Phillips	1.00	147,188	10,161	23,092	12,914
Secretary/Treasurer					
William Schulte	1.00	121,295	21,220	-	14,265
Certificated Teachers	420.42	32,176,193	3,332,589	-	-
Non-certificated-Other	375.10	<u>11,730,418</u>	<u>2,401,345</u>	<u>-</u>	<u>-</u>
TOTALS		<u>\$ 44,347,824</u>	<u>\$ 5,793,884</u>	<u>\$ 23,092</u>	<u>\$ 77,339</u>

17. Comparative Figures:

The comparative figures have been reclassified where necessary to conform with the current years presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2007
[School Act, Section 276]

Battle River Regional Division #31

Legal Name of School Jurisdiction

5402 48A Ave., Camrose, Alberta T4V 0L3

Mailing Address

Telephone (780)672-6131 Fax (780)672-6137

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions and submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

William Schulte, CGA
Name

"ORIGINAL SIGNED"
Signature

27-Nov-07

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

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	2006-2007 Board and System Administration Expenses	
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SCHEDULE A

School Jurisdiction Code: 2285

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2006-2007

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$61,819,597	\$46,915,737	\$6,970,210	\$5,123,255	\$2,315,794	\$494,601
(2) Alberta Infrastructure & Transportation	\$0	\$0	\$0			
(3) Alberta Finance	\$719,714		\$719,714			\$0
(4) Other - Government of Alberta	\$229,572	\$221,772	\$7,800	\$0	\$0	\$0
(5) Federal Government and/or First Nations	\$39,896	\$39,896	\$0	\$0	\$0	\$0
(6) Other Alberta school authorities	\$3,455	\$3,455	\$0	\$0	\$0	\$0
(7) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(8) Alberta municipalities (excl. supplementary requisitions)	\$362	\$362	\$0	\$0	\$0	\$0
(9) Instruction resource fees	\$578,628	\$578,628				
(10) Transportation fees	\$26,703			\$26,703		
(11) Other sales and services	\$895,516	\$499,116	\$155,833	\$236,675	\$3,892	\$0
(12) Investment income	\$602,918	\$578,801	\$0	\$0	\$24,117	\$0
(13) Gifts and donations	\$47,229	\$47,229	\$0	\$0		\$0
(14) Rentals of facilities	\$22,171	\$0	\$22,171	\$0	\$0	\$0
(15) Net school generated funds	\$1,264,450	\$1,264,450			\$0	
(16) Gains on disposal of capital assets	\$36,020	\$1,962	\$6,435	\$27,623	\$0	\$0
(17) Amortization of capital allocations	\$1,561,090	\$33,602	\$1,522,191	\$5,297		\$0
(18) TOTAL REVENUES	\$67,847,321	\$50,185,010	\$9,404,354	\$5,419,553	\$2,343,803	\$494,601
EXPENSES						
(19) Certificated salaries	\$32,346,473	\$31,858,982			\$433,678	\$53,813
(20) Certificated benefits	\$3,342,750	\$3,303,513			\$34,704	\$4,533
(21) Non-certificated salaries and wages	\$12,024,443	\$6,832,589	\$1,394,915	\$2,423,582	\$1,039,160	\$334,197
(22) Non-certificated benefits	\$2,451,134	\$1,605,874	\$307,871	\$251,260	\$203,393	\$82,736
(23) SUB - TOTAL	\$50,164,800	\$43,600,958	\$1,702,786	\$2,674,842	\$1,710,935	\$475,279
(24) Services, contracts & supplies	\$12,315,057	\$4,877,942	\$4,477,291	\$2,340,091	\$579,877	\$39,856
(25) Cost recoveries between programs	\$0	\$20,534	\$0	\$0	\$0	(\$20,534)
(26) Net school generated funds	\$1,264,450	\$1,264,450				
Capital and debt services						
Amortization of capital assets						
(27) Supported	\$1,561,090	\$33,602	\$1,522,191	\$5,297	\$0	\$0
(28) Unsupported	\$1,772,699	\$192,361	\$799,973	\$690,084	\$90,281	\$0
(29) Total Amortization	\$3,333,789	\$225,963	\$2,322,164	\$695,381	\$90,281	\$0
Interest on capital debt						
(30) Supported	\$719,714	\$0	\$719,714	\$0	\$0	\$0
(31) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0
(32) Other interest charges	\$166	\$0	\$0	\$0	\$166	\$0
(33) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(34) TOTAL EXPENSES	\$67,797,976	\$49,989,847	\$9,221,955	\$5,710,314	\$2,381,259	\$494,601
(35) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$49,345	\$195,163	\$182,399	(\$290,761)	(\$37,456)	\$0

**SCHEDULE B
ALBERTA EDUCATION REVENUE 2006-2007**

	TOTAL
Base Funding	\$35,512,282
Additional Funding for Differential Cost Factors	\$21,934,489
Targeted Funding for Provincial Initiatives	
Class Size Initiative	\$1,822,689
Student Health Initiative (SHI)	\$511,100
Alberta Initiative for School Improvement (AISi)	\$837,269
SuperNet Services	\$187,302
Children and Youth with Complex Needs	\$0
Other Provincial Support Funding	
Institutional Programs	\$129,707
Regional Consortium and Regional Educational Consulting Services	\$0
Learning Resources Credit Allocation	\$74,885
Infrastructure Maintenance Renewal (IMR)	\$638,396
Other Funding from Alberta Education (describe): Secondments	\$171,478
Total Alberta Education Revenues	\$61,819,597

**SCHEDULE C
ECS to Grade 12 INSTRUCTION PROGRAM Expense Details - 2006-2007**

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Non-certificated Remuneration	Services, Contracts & Supplies	Learning Resources	Cost Recoveries between programs	Other Expenses	TOTAL EXPENSES
School Administration & Instruction Support	\$3,077,010	\$2,905,163	\$1,997,294		\$20,351	\$1,489,267	\$9,489,085
Mild & Moderate Disabilities/Gifted & Talented (ECS-12)	\$2,022,314	\$18,487	\$202,635		\$0		\$2,243,436
ECS Program Unit (PUF)	\$0	\$589,131	\$449,498		\$0		\$1,038,629
Severe Disabilities (Gr 1-12)	\$1,593,841	\$3,845,225	\$229,254		\$0		\$5,668,320
English as a Second Language (ESL)	\$0	\$131,034			\$0		\$131,034
French Language & Francisation	\$2,236	\$0	\$15,864		\$183		\$18,283
Enhanced ESL/Francisation & Supports for Immigrant Students	\$0	\$6,307	\$0		\$0		\$6,307
First Nations, Metis and Inuit Education	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$842,075	\$53,946	\$82,899	\$0	\$0		\$978,920
Student Health Initiative	\$0	\$0	\$16,499		\$0		\$16,499
SuperNet Service			\$189,708		\$0		\$189,708
Class Size Initiative	\$1,822,689	\$0	\$0	\$0	\$0		\$1,822,689
Children and Youth with Complex Needs (ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses (ECS - Gr 12)	\$25,802,330	\$889,170	\$1,619,406	\$74,885	\$0	\$0	\$28,386,937
TOTAL EXPENSES	\$35,162,495	\$8,438,463	\$4,803,057	\$74,885	\$20,534	\$1,489,267	\$49,989,847
FULL-TIME-EQUIVALENCIES (Board/Contract)	FTE Certificated	FTE Non-certificated					
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	30.0	0.0					
ECS Program Unit (PUF)	0.0	16.3					
Severe Disabilities (Gr 1-12)	21.8	136.9					

**SCHEDULE D
BOARD AND SYSTEM ADMINISTRATION
2006-2007 EXPENSES UNDER (OVER) MAXIMUM LIMIT**

TOTAL EXPENSES	\$67,797,976
STEP 1	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expense:	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE (Example: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 0.75% plus 4% = maximum expense limit of 4.75%).	
STEP 2	
Calculate maximum expense limit AMOUNTS for Board and System Administration expense:	
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES	\$2,711,919
Considerations for Charter Schools and Small School Boards	
If Charter School , enter \$58,366	\$0
If School Board , please enter your 2006-2007 Gr 1 - 12 funded enrolmen	0
	\$0
2006-2007 MAXIMUM EXPENSE LIMIT	\$2,711,919
Less: 2006/2007 Board and System Administration expenses	-\$2,381,259
2006-2007 BOARD AND SYSTEM ADMINISTRATION EXPENSES UNDER (OVER) MAXIMUM LIMIT	\$330,660

**SCHEDULE E
SCHOOL GENERATED FUNDS (SGF) - 2006-2007**

Unexpended SGF - Opening Balance August 31, 2006	\$890,256																								
Sources of School Generated Funds:																									
	<table border="1"> <thead> <tr> <th></th> <th>Gross SGF</th> <th>Related Expenses</th> <th>Net SGF</th> </tr> </thead> <tbody> <tr> <td>Fundraising activities</td> <td align="right">\$1,813,366</td> <td align="right">\$960,437</td> <td align="right">\$852,929</td> </tr> <tr> <td>Student fees (Non-Instructional) (Note 1)</td> <td align="right">\$356,809</td> <td align="right">\$0</td> <td align="right">\$356,809</td> </tr> <tr> <td>Donations and grants to schools</td> <td align="right">\$119,536</td> <td align="right">\$0</td> <td align="right">\$119,536</td> </tr> <tr> <td>Other (describe): Interest</td> <td align="right">\$5,760</td> <td align="right">\$0</td> <td align="right">\$5,760</td> </tr> <tr> <td>Net Additions to SGF</td> <td align="right">\$2,295,471</td> <td align="right">\$960,437</td> <td align="right">\$1,335,034</td> </tr> </tbody> </table>		Gross SGF	Related Expenses	Net SGF	Fundraising activities	\$1,813,366	\$960,437	\$852,929	Student fees (Non-Instructional) (Note 1)	\$356,809	\$0	\$356,809	Donations and grants to schools	\$119,536	\$0	\$119,536	Other (describe): Interest	\$5,760	\$0	\$5,760	Net Additions to SGF	\$2,295,471	\$960,437	\$1,335,034
	Gross SGF	Related Expenses	Net SGF																						
Fundraising activities	\$1,813,366	\$960,437	\$852,929																						
Student fees (Non-Instructional) (Note 1)	\$356,809	\$0	\$356,809																						
Donations and grants to schools	\$119,536	\$0	\$119,536																						
Other (describe): Interest	\$5,760	\$0	\$5,760																						
Net Additions to SGF	\$2,295,471	\$960,437	\$1,335,034																						
Net SGF Available	\$2,225,290																								
Uses of Net School Generated Funds:																									
	<table border="1"> <tbody> <tr> <td>Extra-curricular activities</td> <td align="right">\$1,006,975</td> </tr> <tr> <td>School site beautification</td> <td align="right">\$3,958</td> </tr> <tr> <td>Field Trips</td> <td align="right">\$171,764</td> </tr> <tr> <td>Equipment</td> <td align="right">\$80,826</td> </tr> <tr> <td>Family literacy and other community resources</td> <td align="right">\$0</td> </tr> <tr> <td>Other (describe): Bank Charges</td> <td align="right">\$927</td> </tr> <tr> <td>Total Uses of Net SGF (Note 2)</td> <td align="right">\$1,264,450</td> </tr> </tbody> </table>	Extra-curricular activities	\$1,006,975	School site beautification	\$3,958	Field Trips	\$171,764	Equipment	\$80,826	Family literacy and other community resources	\$0	Other (describe): Bank Charges	\$927	Total Uses of Net SGF (Note 2)	\$1,264,450										
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Other (describe): Bank Charges	\$927																								
Total Uses of Net SGF (Note 2)	\$1,264,450																								
Unexpended SGF - Closing Balance August 31, 2007 (Note 3)	\$960,840																								

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the *School Act*, and any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

Notes:

- Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.
- Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.