

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Black Gold Regional Division No. 18**

Legal Name of School Jurisdiction

**#301, 1101 5th Street, Nisku, Alberta T9A 7N3**

Mailing Address

**780-955-6025 780-955-6050 (Fax)**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Black Gold Regional Division No. 18  
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 CHAIRMAN**

**Barb Martinson**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Dr. Norman Yanitski**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**M. Ruth Andres**

Name

**"ORIGINAL SIGNED"**

Signature

**26-Nov-08**

Board-approved Release Date

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## **AUDITORS' REPORT**

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To the Board of Trustees of

### **BLACK GOLD REGIONAL DIVISION NO. 18**

We have audited the statement of financial position of the **Black Gold Regional Division No. 18** as at August 31, 2008 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, 2008 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.

*Mequn Norris Penny LLP*

Leduc, Alberta  
November 12, 2008

**CHARTERED ACCOUNTANTS**

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$12,911,695	\$12,478,741
Accounts receivable (net after allowances)	\$1,775,911	\$1,175,770
Prepaid expenses	\$65,641	\$97,166
Other current assets	\$357,811	\$966,742
<b>Total current assets</b>	<b>\$15,111,058</b>	<b>\$14,718,419</b>
School generated assets	\$913,916	\$827,149
Trust assets	\$223,224	\$312,049
Long term accounts receivable	\$73,600	\$110,400
Long term investments	\$0	\$0
Capital assets		
Land	\$2,394,945	\$2,394,945
Buildings	\$99,938,932	
Less: accumulated amortization	(\$43,802,671)	\$57,692,290
Equipment	\$6,129,846	
Less: accumulated amortization	(\$3,293,478)	\$2,528,231
Vehicles	\$1,125,412	
Less: accumulated amortization	(\$580,914)	\$452,737
<b>Total capital assets</b>	<b>\$61,912,072</b>	<b>\$63,068,203</b>
<b>TOTAL ASSETS</b>	<b>\$78,233,870</b>	<b>\$79,036,220</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$4,437,232	\$3,796,679
Deferred revenue	\$1,062,104	\$1,698,190
Deferred capital allocations	\$1,868,075	\$1,804,089
Current portion of all long term debt	\$1,073,016	\$1,538,067
<b>Total current liabilities</b>	<b>\$8,440,427</b>	<b>\$8,837,025</b>
School generated liabilities	\$913,916	\$827,149
Trust liabilities	\$223,224	\$312,049
Employee future benefits liability	\$68,000	\$59,400
Long term payables and accrued liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,994,736	\$5,532,802
Less: Current portion of supported debt	(\$1,073,016)	(\$1,538,067)
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	\$50,535,747	\$51,066,004
<b>Total long term liabilities</b>	<b>\$54,662,607</b>	<b>\$56,259,337</b>
<b>TOTAL LIABILITIES</b>	<b>\$63,103,034</b>	<b>\$65,096,362</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$396,382	\$352,011
Operating Reserves	\$5,230,979	\$4,916,323
Accumulated Operating Surplus (Deficit)	\$5,627,361	\$5,268,334
Investment in capital assets	\$7,381,589	\$6,469,397
Capital Reserves	\$2,121,886	\$2,202,127
Total Capital Funds	\$9,503,475	\$8,671,524
<b>Total net assets</b>	<b>\$15,130,836</b>	<b>\$13,939,858</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$78,233,870</b>	<b>\$79,036,220</b>

**Note:** Input "(Restated)" in 2007 column heading where comparatives are not taken from the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2008**  
(in dollars)

	Actual 2008	Budget 2008 (Note)	Actual 2007 (Note)
<b>REVENUES</b>			
Government of Alberta	\$73,330,522	\$70,791,793	\$67,687,105
Federal Government and/or First Nations	\$157,571	\$116,000	\$156,492
Other Alberta school authorities	\$1,330	\$0	\$508
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$71,807
Instruction resource fees	\$539,590	\$538,486	\$541,366
Transportation fees	\$119,102	\$105,000	\$107,638
Other sales and services	\$559,890	\$128,576	\$418,738
Investment income	\$464,100	\$374,000	\$542,123
Gifts and donations	\$12,133	\$0	\$13,982
Rentals of facilities	\$168,881	\$107,036	\$142,103
Net school generated funds	\$1,157,596	\$275,000	\$140,533
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$2,841,530	\$2,964,740	\$2,700,885
<b>Total Revenues</b>	<b>\$79,352,245</b>	<b>\$75,400,631</b>	<b>\$72,523,280</b>
<b>EXPENSES</b>			
Certificated salaries	\$40,188,518	\$40,070,122	\$37,512,796
Certificated benefits	\$4,372,351	\$4,532,731	\$4,232,731
Non-certificated salaries and wages	\$11,270,222	\$11,723,977	\$10,344,162
Non-certificated benefits	\$2,589,141	\$2,835,609	\$2,363,965
Services, contracts and supplies	\$14,734,073	\$12,937,309	\$12,231,612
Net school generated funds	\$1,157,596	\$275,000	\$140,533
Capital and debt services			
Amortization of capital assets			
Supported	\$2,841,530	\$2,964,740	\$2,700,885
Unsupported	\$532,151	\$556,141	\$543,446
Total Amortization of capital assets	\$3,373,681	\$3,520,881	\$3,244,331
Interest on capital debt			
Supported	\$466,229	\$465,679	\$626,387
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$466,229	\$465,679	\$626,387
Other interest charges	\$0	\$3,000	\$0
Losses on disposal of capital assets	\$9,456	\$0	\$0
<b>Total Expenses</b>	<b>\$78,161,267</b>	<b>\$76,364,308</b>	<b>\$70,696,517</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$1,190,978</b>	<b>(\$963,677)</b>	<b>\$1,826,763</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,190,978</b>	<b>(\$963,677)</b>	<b>\$1,826,763</b>

**Note:** Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education. Budget 2008 comparatives presented are "FINAL APPROVED" budget amounts formally adopted by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2008

(in dollars)

	2008	2007 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses for the year	\$1,190,978	\$1,826,763
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,841,530)	(\$2,700,885)
Total amortization expense	\$3,373,681	\$3,244,331
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$9,456	\$0
Changes in accrued accounts:		
Accounts receivable	(\$600,141)	\$880,651
Prepays and other current assets	\$640,456	(\$794,939)
Long term accounts receivable	\$36,800	\$36,800
Long term investments	\$0	\$0
Payables and accrued liabilities	\$640,553	\$186,325
Deferred revenue	(\$636,086)	\$1,487,030
Employee future benefit expense (recovery)	\$8,600	(\$900)
Other (describe) Net capital allocations/holdback non-cash transactions	\$433,679	(\$370,559)
<b>Total sources (uses) of cash from Operations</b>	<b>\$2,256,446</b>	<b>\$3,794,617</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,172,105)	(\$2,319,095)
Equipment	(\$626,794)	(\$479,493)
Vehicles	(\$175,834)	(\$22,084)
Net proceeds from disposal of capital assets	\$100	\$0
Other (describe) Net holdback non-cash transactions	(\$35,356)	(\$121,085)
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$2,009,989)</b>	<b>(\$2,941,757)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$584,820	\$1,705,359
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,538,066)	(\$1,631,932)
Add back: supported portion	\$1,538,066	\$1,631,932
Other (describe) Net capital allocations non-cash transactions	(\$398,323)	\$491,644
<b>Total sources (uses) of cash from Financing activities</b>	<b>\$186,497</b>	<b>\$2,197,003</b>
<b>Net sources (uses) of cash during year</b>	<b>\$432,954</b>	<b>\$3,049,863</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/07</b>	<b>\$12,478,741</b>	<b>\$9,428,878</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/08</b>	<b>\$12,911,695</b>	<b>\$12,478,741</b>

**Note:** Input "(Restated)" where Actual 2007 comparatives are not as presented in the finalized 2006-2007 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2008**  
(in dollars)

	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	RESTRICTED NET ASSETS	
				OPERATING RESERVES	CAPITAL RESERVES
<b>Balance at August 31, 2007</b>	\$13,939,858	\$6,469,397	\$352,011	\$4,916,323	\$2,202,127
Retrospective Restatements (describe)					
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug. 31, 2007</b>	\$13,939,858	\$6,469,397	\$352,011	\$4,916,323	\$2,202,127
Excess(def) of revenue over expenses	\$1,190,978		\$1,190,978		
Board funded capital transactions		\$1,453,899	(\$716,222)	(\$216,669)	(\$521,008)
Direct credits to net assets	\$0	\$0			
Amortization of capital assets		(\$3,373,681)	\$3,373,681		
Amortization of capital allocations		\$2,841,530	(\$2,841,530)		
Disposal of unsupported capital assets	\$0	(\$9,556)	\$9,456		\$100
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0
Debt principal payments (unsupported)		\$0			
Net transfers to operating reserves			(\$1,390,067)	\$1,390,067	
Net transfers from operating reserves			\$858,742	(\$858,742)	
Net transfers to capital reserves			(\$440,667)		\$440,667
Net transfers from capital reserves			\$0		\$0
Assumption/transfer of other operations's net assets	\$0	\$0	\$0	\$0	\$0
<b>Balance at August 31, 2008</b>	\$15,130,836	\$7,381,589	\$396,382	\$5,230,979	\$2,121,886

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2008  
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
<b>Balance at August 31, 2007</b>	\$1,804,089	\$51,066,004
<b>Prior period adjustment</b>	\$0	\$0
<b>Adjusted balance, August 31, 2007</b>	\$1,804,089	\$51,066,004
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education-School/Modular Project Capital *	\$400,695	
Infrastructure & Transportation-School/Modular Project Capital *	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$115,252	
<b>Interest earned on provincial government capital allocations</b>	\$68,873	
<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)		\$252,373
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$1,538,066
<b>Expended capital allocations - current year</b>	(\$520,834)	\$520,834
<b>Less:</b>		
<b>Net book value of supported capital assets disposition, write-off, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$2,841,530
<b>Balance at August 31, 2008</b>	\$1,868,075	\$50,535,747

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

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

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**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. It is not taxable under Section 149(1) of the *Income Tax Act*.

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.

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**2. Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). 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:

***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. 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.

Grants received for construction and acquisition of capital assets are recognized as revenue on the same basis that the cost of the assets is amortized.

***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	10 to 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years
Computer Hardware and Software	5 years

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.

**2. Significant Accounting Policies (continued)**

***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 expended at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

***Vacation Pay***

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

***Pensions***

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 Black Gold Regional Division does not make pension contributions for certificated staff.

The Regional Division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$589,436 for the year ended August 31, 2008 (2007 - \$569,916). At December 31, 2007, the Local Authorities Pension Plan reported a deficiency of \$1,183,334,000 (2006 - deficiency of \$746,651,000).

The Division is a member of the Supplemental Integrated Pension Plan (SiPP). The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. There are four employees who are eligible to participate in the plan; four are currently participating.

***Employee Future Benefits***

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2008, the recorded obligation is \$68,000 (2007 - \$59,400). The total expense recorded in the financial statements is \$43,711 (2007 - \$35,549).

***Prepaid Expenses***

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.

**2. Significant Accounting Policies (continued)**

***Financial Instruments***

The Division's financial instruments consist of cash and temporary investments, accounts receivable, school generated assets and liabilities, trust assets and liabilities, long-term accounts receivable, accounts payable and accrued liabilities, employee future benefits liability, and long-term debt. It is management's opinion that the Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 60 of the *School Act*.

***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 for future capital expenditures. Such reserves are appropriations of unrestricted net assets.

***Contributed Services***

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

***Measurement Uncertainty***

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

***Recent Accounting Pronouncements***

The Canadian Institute of Chartered Accountants issued new recommendations for the recognition and measurement of financial instruments, and amendments to the existing presentation and disclosure standards, effective for interim and annual financial statements with fiscal years beginning on or after October 1, 2008. Section 3855 *Financial Instruments – Recognition and Measurement* establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. Additionally Section 4400 *Not for Profit Organizations* will require presentation of gains, losses, revenues and expenses arising from derivatives, hedges and other financial instruments as separate components of the change in net assets. The Regional Division has not yet adopted these new standards on its financial statements.

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

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**3. Accounts Receivable**

	<u>2008</u>	<u>2007</u>
Alberta Education	\$ 1,160,063	\$ 334,986
Alberta Finance	180,088	305,865
Federal Government	322,330	352,505
Other Alberta School Jurisdictions	-	174
Other	<u>113,430</u>	<u>182,240</u>
	<u>\$ 1,775,911</u>	<u>\$ 1,175,770</u>

Long-term accounts receivable arose upon the sale of the interest and right of occupancy to the School Board Space in the Leduc Civic Center Complex, and will be collected in equal instalments over the next three years. The current portion of \$36,800 is included in the amount "other", above. Other current accounts receivable which have been outstanding for more than one year total \$465,197.

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**4. Trust Assets and Trust Liabilities**

***Deferred Salary Leave Plan***

The Black Gold Regional Division No. 18 has established a Deferred Salary Leave Plan, whereby eligible employees are able to, at their option; defer a portion of their salary. These funds are held in trust in separate bank accounts. At August 31, 2008 total funds in the plan were Nil (2007 - \$151,760). The individuals that were previously contributing completed their year of leave in August, 2008.

***Scholarship Trusts***

The Division also manages trust funds which will be used to pay school scholarships. At August 31, 2008 total funds in trust were \$78,708 (2007 - \$47,387).

***Student Health Initiative Trust***

The Division is the banker board for the Leduc and Area Student Health Initiative Partnership. As of August 31, 2008, the Division held \$144,515 in trust for this initiative (2007 - \$112,902).

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**5. Bank Indebtedness**

The jurisdiction has negotiated a line of credit in the amount of \$3,000,000 that bears interest at the bank prime rate. There was no balance outstanding on the line of credit at August 31, 2008.

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

**6. Accounts Payable and Accrued Liabilities**

	<u>2008</u>	<u>2007</u>
Alberta Finance	\$ 180,088	\$ 257,231
Federal Government	1,308,197	718,787
Other Trade Payables and Accrued Liabilities	2,923,463	2,796,953
Other Alberta School Boards	<u>25,484</u>	<u>23,708</u>
	<u>4,437,232</u>	<u>\$ 3,796,679</u>

**7. Deferred Revenue**

The following amounts have been deferred and will be recognized as income to match the expenditures as incurred.

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2007	ADD: 2007/2008 Restricted Funds Received/ Receivable	DEDUCT: 2007/2008 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2007/2008 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2008
<b>Alberta Education Restricted Operational Funding:</b>	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$119,615	\$1,090,452	(\$1,088,211)	\$500	\$122,356
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$1,157,318	\$1,773,638	(\$2,580,944)	\$0	\$350,012
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$345,062	\$181,077	(\$286,759)	\$0	\$239,380
<b>Other Government of Alberta Restricted Funding:</b>	\$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>Other Deferred Revenue:</b>	\$0	\$0	\$0	\$0	\$0
Transportation Revenue & Other	\$76,195	\$105,823	(\$119,102)	\$0	\$62,916
Skills Canada	\$0	\$287,440	\$0	\$0	\$287,440
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$1,698,190</b>	<b>\$3,438,430</b>	<b>(\$4,075,016)</b>	<b>\$500</b>	<b>\$1,062,104</b>

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

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**8. Long Term Debt**

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 8.375% and 12%. Interest paid on long-term debt during 2008 was \$543,372 (2007 - \$710,478).

Debenture payments due over the next five years and beyond are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008-2009	1,073,016	385,710	1,458,726
2009-2010	787,021	278,696	1,065,717
2010-2011	694,181	202,464	896,645
2011-2012	671,483	136,665	808,148
2012-2013	456,734	73,589	530,323
2013 to maturity	<u>312,301</u>	<u>40,320</u>	<u>352,621</u>
	<u>\$ 3,994,736</u>	<u>\$ 1,117,444</u>	<u>\$ 5,112,180</u>

The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt, therefore the working capital (current assets minus current liabilities) is understated by \$1,073,016.

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**9. Deferred Capital Allocations**

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the Division, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

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**10. Unamortized Capital Allocations**

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Since the receipt of the funding does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position.

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**11. Contingencies**

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. 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 equity is subject to liability claims.

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

**12. 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.

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.

	<b>Balances</b>		<b>Transactions</b>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
<b><u>2007-2008</u></b>				
<b>Government of Alberta:</b>				
Education	\$1,160,064	\$2,116,880	\$72,855,343	\$213,165
Infrastructure & Transportation	-	-	-	-
Finance	180,088	4,174,823	466,229	466,229
Human Resources/Employment	8,950	-	8,950	-
Other Gov't of Alberta departments	-	-	-	-
<b>Other:</b>				
Post-secondary institutions	-	-	-	2,448
Other Alberta school jurisdictions	-	25,484	-	191,792
<b>TOTAL 2007-2008</b>	<b>\$1,349,102</b>	<b>\$6,317,187</b>	<b>\$73,330,522</b>	<b>\$873,634</b>
<b>TOTAL 2006-2007</b>	<b>\$648,237</b>	<b>\$8,845,755</b>	<b>\$67,687,613</b>	<b>\$1,124,942</b>

**13. Budget Amounts**

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

**14. Economic Dependence on Related Third Party**

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

**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

**15. Targeted Funding for Provincial Initiatives Expenses**

TARGETED FUNDING FOR PROVINCIAL INITIATIVES	Certificated Remuneration	Non-Certificated Remuneration	Supplies & Services	Other Expenses
Alberta Initiative for School Improvement	\$973,089	\$19,077	\$90,451	\$5,594
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$3,026,264	\$0	\$0	\$0
Student Health Initiative	\$0	\$2,915	\$27,831	\$4,338
SuperNet Service	\$0	\$0	\$163,164	\$0

**16. Disclosure of Salaries and Benefits**

The remuneration disclosed includes both the taxable and non-taxable portion of trustees' remuneration.

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Barb Martinson	1.0	\$26,806	\$5,758	\$0			6,139.00
Johnette Lemke	1.0	\$20,909	\$5,440	\$0			7,730.00
Kirk Popik	0.875	\$12,480	\$1,616	\$0			4,107.00
Christine Robertson	0.875	\$15,714	\$4,097	\$0			4,427.00
Sandy Koroll	0.875	\$17,969	\$946	\$0			7,568.00
Sam Kobeluck	0.875	\$17,346	\$4,622	\$0			9,405.00
Lorna Misselbrook	0.875	\$17,460	\$4,574	\$0			5,211.00
Ed Chubocha	0.125	\$1,056	\$193	\$0			209.00
May Metke	0.125	\$1,824	\$1,107	\$0			583.00
Cecil Race	0.125	\$2,112	\$950	\$0			319.00
Lois Watson	0.125	\$2,112	\$810	\$0			285.00
Tonia Bills	0.125	\$1,978	\$860	\$0			339.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
	0.0	\$0	\$0	\$0			0.00
<b>Subtotal</b>	<b>7.0</b>	<b>\$137,766</b>	<b>\$30,973</b>	<b>\$0</b>			<b>46,322.00</b>
Norman Yanitski	1.0	\$153,052	\$23,247	\$0	\$0	\$0	10,306.00
	0.0	\$0	\$0	\$0	\$0	\$0	0.00
Orville Borys	0.79	\$110,884	\$31,019	\$0	\$0	\$0	8,427.00
Ruth Andres	0.21	\$30,723	\$3,258	\$0	\$0	\$0	761.00
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	0.00
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	0.00
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	0.00
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	0.00
Certificated Teachers	501.6	\$40,035,466	\$4,349,104	\$0	\$0	\$0	
Non-certificated - Other	351.5	\$10,990,848	\$2,523,892	\$0	\$0	\$0	
<b>TOTALS</b>		<b>\$51,458,739</b>	<b>\$6,961,493</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

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**BLACK GOLD REGIONAL DIVISION NO. 18**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2008**

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**17. Commitment**

The Division is committed to paying 20% of the outstanding debt of the Community Education Centre, subject to the external review and confirmation of the deficit. It is anticipated that these costs will be approximately \$20,000.

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**UNAUDITED SCHEDULES**  
TO THE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2008  
[School Act, Section 276]

**Black Gold Regional Division No. 18**

Legal Name of School Jurisdiction

**#301, 1101 5th Street, Nisku, Alberta T9A 7N3**

Mailing Address

**780-955-6025 780-955-6050 (Fax)**

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. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

**M. Ruth Andres**  
Name

**"SIGNED AND DATED ELECTRONICALLY"**  
Signature

**26-Nov-08**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5  
EMAIL: TO COME  
PHONE: (780) TO COME FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: 2245

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2007-2008

REVENUES	TOTAL	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education	\$72,855,343	\$0	\$56,952,395	\$9,598,025	\$3,788,652	\$2,489,792	\$26,479
(2) Other - Government of Alberta	\$475,179	\$0	\$0	\$469,491	\$0	\$5,688	\$0
(3) Federal Government and/or First Nations	\$157,571	\$0	\$157,571	\$0	\$0	\$0	\$0
(4) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Instruction resource fees	\$539,590	\$0	\$539,590				
(6) Transportation fees-ECS	\$0	\$0			\$0		
(7) Transportation fees-Grades 1-12	\$119,102	\$0			\$119,102		
(8) Net school generated funds	\$1,157,596	\$0	\$1,157,596			\$0	
(9) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10) Amortization of capital allocations	\$2,841,530	\$0	\$233,794	\$2,559,806	\$0		\$47,930
(11) Other revenues	\$1,206,334	\$0	\$658,163	\$177,451	\$19,727	\$20,452	\$330,541
(12) TOTAL REVENUES	\$79,352,245	\$0	\$59,699,109	\$12,804,773	\$3,927,481	\$2,515,932	\$404,950
<b>EXPENSES</b>							
(13) Certificated salaries	\$40,188,518	\$0	\$39,777,242			\$411,276	\$0
(14) Certificated benefits	\$4,372,351	\$0	\$4,310,056			\$62,295	\$0
(15) Non-certificated salaries and wages	\$11,270,222	\$0	\$7,142,395	\$2,788,642	\$119,425	\$1,112,311	\$107,449
(16) Non-certificated benefits	\$2,589,141	\$0	\$1,702,646	\$600,754	\$28,634	\$239,476	\$17,431
(17) SUB - TOTAL	\$58,420,232	\$0	\$52,932,339	\$3,389,396	\$148,259	\$1,825,358	\$124,880
(18) Supplies and Services	\$14,734,073	\$0	\$4,636,684	\$5,938,867	\$3,431,246	\$504,271	\$223,005
(19) Net school generated funds	\$1,157,596	\$0	\$1,157,596				
(20) Amortization of capital assets	\$3,373,681	\$0	\$515,018	\$2,707,203	\$14,770	\$76,257	\$60,433
(21) Interest charges	\$466,229	\$0	\$0	\$466,229	\$0	\$0	\$0
(22) Losses on disposal of capital assets	\$9,456	\$0	\$0	\$9,456	\$0	\$0	\$0
(23) TOTAL EXPENSES	\$78,161,267	\$0	\$59,241,637	\$12,511,151	\$3,594,275	\$2,405,886	\$408,318
(24) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,190,978	\$0	\$457,472	\$293,622	\$333,206	\$110,046	(\$3,368)

Note: The reporting of ECS transportation fees and ECS intrusion program revenues and expenses separately from Grades 1-12 is optional for 2007-2008 ONLY.

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2007-2008**

<b>Unexpended SGF - Opening Balance August 31, 2007</b>			\$827,149
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$1,441,851	\$1,125,458	\$316,393
Student fees (Non-Instructional) (Note 1)	\$1,736,918	\$993,117	\$743,801
Donations and grants to schools	\$287,726	\$125,637	\$162,089
Other (describe): CTS customer service, interest, misc	\$291,821	\$269,741	\$22,080
<b>Net Additions to SGF</b>	\$3,758,316	\$2,513,953	\$1,244,363
<b>Net SGF Available</b>			\$2,071,512
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$331,260
Field Trips			\$686,462
Other (describe): Other student activities, supplies, miscellaneous			\$139,874
<b>Total Uses of Net SGF</b> (Note 2)			\$1,157,596
<b>Unexpended SGF - Closing Balance August 31, 2008</b> (Note 3)			\$913,916
<p>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 I</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1 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</li> <li>2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues &amp; Expenses of the Financial Statements.</li> <li>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>			