

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

ROCKY VIEW SCHOOLS

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 ROCKY VIEW SCHOOLS
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chairman

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

BOARD CHAIR

Sylvia Eggerer

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Gregory Bass

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Darrell Couture

Name

"ORIGINAL SIGNED"

Signature

3-Dec-09

Board-approved Release Date

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Auditors' Report

To the Board of Trustees of
Rocky View School Division No. 41:

We have audited the statement of financial position of **Rocky View School Division No. 41** (the "Jurisdiction") as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the 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 Jurisdiction as at August 31, 2009 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A, B and C is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Calgary, Alberta
November 12, 2009

Deloitte + Touche LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note 5)	\$8,582,869	\$16,927,300
Accounts receivable (net after allowances)	(Note 6)	\$4,100,005	\$3,160,992
Prepaid expenses		\$531,389	\$60,889
Other current assets	(Note 7)	\$104,851	\$106,852
Total current assets		\$13,319,114	\$20,256,033
School generated assets			
Trust assets	(Note 12)	\$917,764	\$1,184,521
Long term accounts receivable		\$1,924	\$3,848
Long term investments		\$0	\$0
Capital assets (Note 8)			
Land		\$8,037,701	\$8,013,286
Construction in Progress		\$71,960	
Buildings	\$211,337,922		
Less: accumulated amortization	(\$77,039,544)	\$134,298,378	\$137,577,409
Equipment	\$18,547,804		
Less: accumulated amortization	(\$13,820,356)	\$4,727,448	\$3,165,310
Vehicles	\$1,119,351		
Less: accumulated amortization	(\$475,296)	\$644,055	\$486,165
Total capital assets		\$147,779,542	\$149,242,170
TOTAL ASSETS		\$164,776,430	\$173,817,925
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note 9)	\$0	\$0
Accounts payable and accrued liabilities	(Note 10)	\$8,170,007	\$11,616,431
Deferred revenue	(Note 11)	\$2,326,236	\$4,100,775
Deferred capital allocations	(Note 14)	\$113,841	\$1,998,681
Current portion of long term debt		\$2,320,641	\$2,524,318
Total current liabilities		\$12,930,725	\$20,240,205
School generated liabilities			
Trust liabilities	(Note 12)	\$917,764	\$1,184,521
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 13)			
Supported: Debentures and other supported debt		\$6,937,519	\$9,288,650
Less: Current portion		(\$2,140,906)	(\$2,353,024)
Unsupported: Debentures and Capital Loans		\$4,018,845	\$4,190,140
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$179,735)	(\$171,294)
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 15)	\$114,923,107	\$115,215,192
Total long term liabilities		\$127,234,680	\$130,485,538
TOTAL LIABILITIES		\$140,165,405	\$150,725,743
NET ASSETS			
Unrestricted net assets		\$0	\$0
Operating Reserves		\$2,094,094	\$1,871,812
Accumulated Operating Surplus (Deficit)		\$2,094,094	\$1,871,812
Investment in capital assets		\$21,900,076	\$20,548,196
Capital Reserves		\$616,855	\$672,174
Total Capital Funds		\$22,516,931	\$21,220,370
Total net assets		\$24,611,025	\$23,092,182
TOTAL LIABILITIES AND NET ASSETS		\$164,776,430	\$173,817,925

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

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

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
REVENUES			
Government of Alberta	\$142,096,027	\$133,177,494	\$130,644,070
Federal Government and First Nations	\$850,669	\$830,000	\$800,809
Other Alberta school authorities	\$219,137	\$300,000	\$219,725
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$2,110,090	\$2,010,000	\$2,037,775
Transportation fees	\$1,052,694	\$1,000,000	\$979,160
Other sales and services	\$941,935	\$170,323	\$2,848,387
Investment income	\$218,134	\$380,004	\$557,287
Gifts and donations	\$29,565	\$0	\$0
Rental of facilities	\$426,405	\$367,000	\$406,570
Net school generated funds	\$4,227,071	\$3,000,000	\$3,590,535
Gains on disposal of capital assets	\$105,185	\$0	\$25,939
Amortization of capital allocations	\$6,099,851	\$6,000,000	\$5,719,208
Other revenue	\$0	\$0	\$0
Total Revenues	\$158,376,763	\$147,234,821	\$147,829,465
EXPENSES			
Certificated salaries (Note 20)	\$70,939,840	\$67,430,460	\$67,219,596
Certificated benefits (Note 20)	\$8,777,679	\$7,240,027	\$7,594,915
Non-certificated salaries and wages (Note 20)	\$23,143,077	\$22,522,183	\$21,071,969
Non-certificated benefits (Note 20)	\$5,770,789	\$5,555,035	\$4,940,895
Services, contracts and supplies	\$35,723,038	\$34,372,162	\$31,919,409
Net school generated funds	\$4,227,071	\$3,000,000	\$3,590,535
Capital and debt services			
Amortization of capital assets			
Supported	\$6,099,851	\$6,000,000	\$5,719,208
Unsupported	\$1,039,101	\$615,401	\$965,801
Total Amortization of capital assets	\$7,138,952	\$6,615,401	\$6,685,009
Interest on capital debt			
Supported	\$916,293	\$916,846	\$1,184,151
Unsupported	\$202,758	\$203,942	\$255,638
Total Interest on capital debt	\$1,119,051	\$1,120,788	\$1,439,789
Other interest and charges	\$18,423	\$20,000	\$18,679
Losses on disposal of capital assets	\$0	\$0	\$554
Other expense	\$0	\$0	\$0
Total Expenses	\$156,857,920	\$147,876,056	\$144,481,350
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,518,843	(\$641,235)	\$3,348,115
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,518,843	(\$641,235)	\$3,348,115

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

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$1,518,843	\$3,348,115
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$6,099,851)	(\$5,719,208)
Total amortization expense	\$7,138,952	\$6,685,009
Gains on disposal of capital assets	(\$105,185)	(\$25,939)
Losses on disposal of capital assets	\$0	\$554
Changes in:		
Accounts receivable	(\$939,013)	(\$1,021,088)
Prepays and other current assets	(\$468,499)	\$525,777
Long term accounts receivable	\$1,924	\$1,893
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$3,446,424)	\$5,630,131
Deferred revenue	(\$1,774,539)	\$177,447
Employee future benefit liabilities	\$0	\$0
Other (describe)		\$302
Total cash flows from Operations	(\$4,173,792)	\$9,602,993
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	(\$24,415)	(\$3,810,830)
Buildings	(\$2,880,703)	(\$9,736,820)
Equipment	(\$2,467,514)	(\$671,594)
Vehicles	(\$303,692)	(\$187,469)
Net proceeds from disposal of capital assets	\$105,185	\$25,939
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$5,571,139)	(\$14,380,774)
C. FINANCING ACTIVITIES		
Capital allocations	\$1,569,903	\$10,888,937
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$2,522,426)	(\$2,794,142)
Add back: supported portion	\$2,353,023	\$2,632,782
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$1,400,500	\$10,727,577
Net cash flows from during the year	(\$8,344,431)	\$5,949,796
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$16,927,300	\$10,977,504
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$8,582,869	\$16,927,300

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

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

School Jurisdiction Code: 1190

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14		(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15		INTERNALLY RESTRICTED NET ASSETS					
				(6) School & Instruction Related		(7) Operations & Maintenance		(8) Board & System Admin.		(9) Transportation		(10) External Services	
				(6) Operating Reserves	(6) Capital Reserves	(7) Operating Reserves	(7) Capital Reserves	(8) Operating Reserves	(8) Capital Reserves	(9) Operating Reserves	(9) Capital Reserves	(10) Operating Reserves	(10) Capital Reserves
Balance at August 31, 2008	\$23,091,880	\$20,548,187	\$0	\$1,871,519	\$672,174	\$59,059	\$330,054	\$613,115	(\$204,907)	\$0	\$1,382,945	\$0	\$0
Prior period adjustments (describe)													
balance	\$302	\$9		\$293	\$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
Adjusted Balance, Aug. 31, 2008	\$23,092,182	\$20,548,196	\$0	\$1,871,812	\$672,174	\$59,059	\$330,054	\$613,115	(\$204,907)	\$0	\$1,382,945	\$0	\$0
Excess (deficiency) of revenue over expenses	\$1,518,843		\$1,518,843										
Board funded capital additions		\$2,221,580		(\$1,965,406)	(\$256,174)	\$0	(\$90,699)	(\$256,174)	(\$129,661)	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$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
Direct credits to net assets	\$0	\$0											
Amortization of capital assets		(\$7,138,952)											
Amortization of capital allocations		\$6,099,851											
Debt principal repayments (unsupported)		\$169,401											
Net transfers to operating reserves				\$2,388,543			\$314,177		\$336,977		\$620,388	\$0	\$0
Net transfers from operating reserves				(\$200,855)			(\$189,855)		(\$11,000)		\$0	\$0	\$0
Net transfers to capital reserves					\$200,855	\$0		\$189,855		\$11,000		\$0	\$0
Net transfers from capital reserves					\$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
Balance at August 31, 2009	\$24,611,025	\$21,900,076	\$0	\$2,094,094	\$616,855	\$59,059	\$363,677	\$546,796	(\$8,591)	\$11,000	\$2,003,333	\$0	\$0

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

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$1,998,680	\$115,215,192
Prior period adjustments	\$1	\$0
Adjusted balance, August 31, 2008	\$1,998,681	\$115,215,192
Add:		
Restricted capital allocations from: Alberta Education including school and modular projects	\$1,551,029	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$18,874	
Other capital grants and donations	\$0	
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		\$2,353,023
Expended capital allocations - current year	(\$3,454,743)	\$3,454,743
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$6,099,851
Balance at August 31, 2009	\$113,841	\$114,923,107

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

NOTES TO THE FINANCIAL STATEMENTS

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 registered as a charity under the Income Tax Act (Canada) and accordingly, is exempt from income tax.

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

2. CHANGES IN ACCOUNTING POLICIES

a) Capital disclosures

In October 2007, the Canadian Institute of Chartered Accountants ("CICA") issued Handbook Section 1535, Capital Disclosures, which prescribes standards for disclosing information about an entity's capital and how it is managed. This Section is applicable to financial statements relating to fiscal years beginning on or after October 1, 2007. Accordingly, the Jurisdiction adopted the new standard for its fiscal year beginning September 1, 2008 (Note 23).

b) Going concern

Effective September 1, 2008, the Jurisdiction adopted the additional requirements of the CICA Handbook Section 1400, General Standards of Financial Statement Presentation. This Section requires Management to make an assessment of the Jurisdiction's ability to continue as a going concern, and to disclose any material uncertainties related to events or conditions that may cast significant doubt upon the Jurisdiction's ability to continue as a going concern. There was no impact to the Jurisdiction's financial statements arising from the adoption of the accounting pronouncement.

c) Inventories

On September 1, 2008, the Jurisdiction adopted CICA Handbook Section 3031, Inventories, which replaced Section 3030, Inventories. This revised standard provided more guidance on the measurement and disclosure requirements for inventories. There was no material impact on the financial statements resulting from implementation, other than modifications to the disclosures pertaining to inventories as included in Note 7.

3. SUMMARY OF 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:

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.

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. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

Interest income is recorded using the accrual method.

Capital contributions received for asset additions are amortized into revenue over the same period as the amortization expense.

b) 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 4%
Vehicles & Buses	10% to 20%
Computer Hardware & Software	20%
Other Equipment & Furnishings	10% to 20%

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

c) 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.)

d) Vacation Pay

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

e) 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 Rocky View School Division 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 \$ 1,680,831 for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971,000 (2007, a deficiency of \$1,183,334,000). Effective for the 2008 – 2009 fiscal year, the Government of Alberta has taken responsibilities for the LAP unfunded liabilities.

f) Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost is determined on an average-cost basis and net realizable value is determined using current estimated selling prices less selling cost. The estimated selling price takes into account management's best estimate of the most probable set of economic conditions.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for 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.

h) 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.

i) Financial Instruments and Hedges

The Jurisdiction has classified each financial instrument into the following categories:

- Financial assets and financial liabilities held-for-trading;
- Loan or receivables;
- Held to maturity;
- Financial assets available for sale; and
- Other financial liabilities.

The Jurisdiction assesses at each statement of financial position date whether a financial asset carried at cost is impaired. If there is objective evidence that an impairment loss exists, the amount of the loss is measured as the difference between the carrying amount of the asset and its fair value. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of revenues and expenses.

Financial assets and financial liabilities held-for-trading are measured at fair value and changes in those fair values are recognized in the statement of revenues and expenses. Financial assets available for sale are measured at fair value, with changes in those fair values recorded directly in net assets. Financial assets held to maturity, loans or receivables and other financial liabilities are measured at amortized cost using the effective interest rate method of amortization.

The Jurisdiction has classified all financial assets as loans or receivables, with the exception of cash and temporary investments. Cash and temporary investments have been classified as held-for-trading. Gains and losses related to these items are recognized in the statement of revenues and expenses in the period in which they arise. All financial liabilities have been classified as other financial liabilities.

The Jurisdiction does not currently utilize derivative financial instruments or hedging accounting in their operations.

j) Transaction costs

Transaction costs incurred for the acquisition or disposition of all financial assets and liabilities are recorded in the statement of operations when incurred.

k) Operating and Capital Reserves

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

l) Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenue and expenses during the reporting period. The most significant of these estimates are related to the amortization period for and potential impairment of property and equipment, accrued liabilities and potential contingencies. Actual results could differ significantly from the estimates.

m) Investments

Held for trading investments are recognized in the balance sheet at fair value. The fair values of the recognized investments are determined based on the available market information. Realized investment income and unrealized gains and losses are reported in the Statement of Revenues and Expenses. The jurisdiction has invested surplus funds in accordance with Section 60(2)(d) of the School Act.

n) Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be fully recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of impairment loss is determined as the excess of the carrying value of the asset over its fair value.

4. FUTURE ACCOUNTING CHANGES

a) Financial instruments

Effective for years beginning on or after October 1, 2008, the Jurisdiction may elect to adopt the provisions of the CICA Handbook Section 3862, Financial Instruments Disclosures, and Section 3863, Financial Instruments Presentations. These Sections require the disclosure of information with regards to the significance of financial instruments of the Jurisdiction's financial position and performance, the nature and extent of risks arising from financial instruments to which the Jurisdiction is exposed during the year and at the statement of financial position date, and how the Jurisdiction manages those risks. These standards replace CICA Handbook Section 3861, Financial Instruments. The Jurisdiction is presently considering whether or not it will adopt these Sections effective September 1, 2009. If adopted, it is expected that the only effect will be incremental disclosure.

b) Financial statement presentation

Several Sections of the CICA Handbook have been amended to include not-for-profit organizations within their scope. The amendments apply to interim and annual financial statements relating to fiscal years beginning on or after September 1, 2009.

The main features of the amendments are as follows:

Financial Statement Presentation by Not-for-Profit Organizations, Section 4400. This Section has been amended to eliminate the requirement to treat net assets invested in property and equipment as a separate component of net assets, and instead permits the not-for-profit organization to present such an amount as a category of internally restricted net assets. It also requires not-for-profit organizations to recognize and present revenue and expenses on a gross basis, if the not-for-profit is acting as a principal in the transactions;

Cash Flow Statements, Section 1540. This Section has been amended to include not-for-profit organizations within its scope;

Disclosure of Related Party Transactions by Not-for-Profit Organizations, Section 4460. This Section has been amended to make the language in Section 4460 consistent with Section 3840 Related Party Transactions;

Disclosure of Allocated Expenses by Not-for-Profit Organizations, Section 4470. This new Section establishes disclosure standards for not-for-profit organizations that choose to classify their expenses by function and allocate expenses from one function to another. The main features of the new Section are:

A requirement for an entity that allocates its fundraising and general support expenses to other functions to disclose the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated, and the basis on which such allocations have been made; and

A requirement for an entity to disclose the amounts allocated from each of its fundraising and general support functions and the amounts and functions to which they have been allocated.

The Jurisdiction is currently evaluating the impact of the adoption of these new Sections on its financial statements.

5. CASH AND TEMPORARY INVESTMENTS

	2009	2008
Cash	\$8,582,869	\$13,798,646
Temporary investments in Government of Canada, direct and guaranteed fixed income securities	0	4,041,379
Total	\$8,582,869	\$ 17,840,025

6. ACCOUNTS RECEIVABLE

	2009	2008
Alberta Education	\$ 3,021,019	\$2,115,217
Alberta Government	85,965	15,800
Federal Government	141,739	132,011
First Nations	0	0
Other Alberta School Jurisdictions	218,576	308,324
Foundations	0	0
Other	632,706	589,640
Total	\$4,100,005	\$ 3,160,992

7. INVENTORY

	2009	2008
Furniture	\$3,839	\$10,183
Janitorial Equipment	61,348	61,540
Supplies	39,664	35,129
	<u>\$104,851</u>	<u>\$106,852</u>

For the year ended August 31, 2009, the use of inventories resulted in the recognition of expenses aggregating \$307,305 (2008 - \$252,128). There were \$Nil (2008 - \$Nil) of write-downs of inventory to net realizable value required as at August 31, 2009 and \$Nil (2008 - \$Nil) in reversals of write-downs of inventory have been recorded during the year then ended.

8. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings	Equipment - Computer Hardware & Software	Other Equipments	Vehicles	Total Aug. 31, 2009	Total Aug. 31, 2008
Estimated Useful life			25-40 Years	3-5 Years	5-10 Years	5-10 Years		
Historical cost								
September 1, 2008	\$8,013,286	\$8,775,186	\$199,753,995	513,036	15,567,254	923,322	\$233,546,079	\$233,546,079
Additions	24415	\$71,960	\$11,583,927	278,499	1,555,648	303,692	\$13,818,141	0
Transfers in (out)	0	-\$8,775,186	0	-	633,367	-	(\$8,141,819)	0
Less disposals including write-offs	0	0	0	-	-	(107,663)	(\$107,663)	0
August 31, 2009	\$8,037,701	\$71,960	\$211,337,922	\$791,535	\$17,756,269	\$1,119,351	\$239,114,738	\$233,546,079
Accumulated amortization								
September 1, 2008	-	-	\$70,951,772	\$424,473	\$12,490,507	\$437,157	\$84,303,909	\$84,303,909
Amortization expense	-	-	\$6,087,772	\$26,000	\$879,376	\$38,139	\$7,031,287	\$0
Transfers in (out)	-	-	0	0	0	0	0	0
Effect of disposals	-	-	0	0	0	0	0	0
August 31, 2009	-	-	\$77,039,544	\$450,473	\$13,369,883	\$475,296	\$91,335,196	\$84,303,909
Net Book Value at August 31, 2009	\$8,037,701	\$71,960	\$134,298,378	\$341,062	\$4,386,386	\$644,055	\$147,779,542	\$149,242,170

Note: The guidelines for estimated useful life of capital assets are shown above note 3b). If any of the useful lives of these assets differs from those noted, please change to reflect your amortization policy.

9. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit with the Alberta Treasury Branch, which is due on demand, to the maximum of \$5,000,000, bearing interest at the bank prime rate minus 0.25%. However, the maximum borrowing capacity on this line is limited by the School Act to \$3,160,992 for 2009 and 4,100,005 for 2010. This line of credit is secured by a borrowing bylaw and a security agreement, covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2009 (2008 - \$Nil)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Alberta Education	\$41,808	\$188,803
Alberta Finance	0	0
Federal Government	0	0
First Nations	0	0
Other Alberta School Jurisdictions	0	0
Other Trade Payables and Accrued Liabilities	8,128,199	11,427,628
Total	\$8,170,007	\$ 11,616,431

11. DEFERRED REVENUE

	REVENUE as at Aug. 31, 2008	Restricted Funds Received/ Receivable	Restricted Funds Expended (Paid / Payable)	Adjustments or Returned Funds	REVENUE as at Aug. 31, 2009
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$525,219	\$2,081,592	(\$2,408,522)	\$0	\$198,289
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$1,744,985	\$2,126,595	(\$3,871,580)	\$0	\$0
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	\$1,118,623	\$824,224	(\$548,011)	\$0	\$1,394,836
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$711,948	\$632,818	(\$611,655)	\$0	\$733,111
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total	\$4,100,775	\$5,665,229	(\$7,439,768)	\$0	\$2,326,236

12. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2009	2008
Deferred Salary Leave Plan	\$564,075	\$369,540
Scholarship Trusts	150,286	183,851
Student Health Initiative Trust (SHI Banker Board)	0	0
Children and Youth with Complex Needs (Banker Board)	203,403	631,130
Other foundations (please specify)	0	0
Total	\$917,764	\$1,184,521

13. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 7.375% and 11.625% secured by a general security agreement. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2009-2010	\$2,140,906	\$681,375	\$2,824,173
2010-2011	1,796,164	464,649	2,260,813
2011-2012	1,293,955	286,507	1,580,462
2012-2013	1,014,656	162,449	1,177,105
2013-2014	358,307	66,341	424,648
2014 to maturity	331,639	31,920	363,559
Total	\$6,935,627	\$1,693,241	\$8,630,760

Debenture Debt – Unsupported

The debenture debt bears interest at rate 4.923%, secured by a general security agreement, with biannual payments of \$186,671, maturing on December 15, 2024. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2009-2010	\$179,735	\$195,868	\$375,603
2010-2011	188,512	186,820	375,332
2011-2012	196,011	177,332	373,343
2012-2013	205,780	167,563	373,343
2013-2014	216,035	157,308	373,343
2014 to maturity	3,032,772	887,416	3,920,188
Total	\$4,018,845	\$1,772,307	\$5,791,152

14. 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.

15. 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.

16. COMMITMENTS

- a) Building Projects: The jurisdiction is committed to further capital expenditures for the addition and portable relocation at Indus School; Glenbow Modulares; Rainbow Creek Modulares; Langdon Modulares and corridor. No significant contracts have been signed in conjunction with these capital projects. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

- b) Office Lease: The jurisdiction is committed to lease office space to July 31, 2010, for which the annual rental of \$29,024 is recoverable annually from operating funds. The jurisdiction is committed to lease office space to July 31, 2015, for which the annual rental of \$32,286 is recoverable annually from operating funds. The jurisdiction is committed to lease office space to August 31, 2012, for which the annual rental of \$15,456 is recoverable annually from operating funds.
- c) Transportation: The jurisdiction is committed to transportation agreements to July 31, 2019, for which the annual costs are variable depending on usage.

17. CONTINGENCIES

The jurisdiction has been named as a defendant in a lawsuit whereby the plaintiff is seeking damages in the amount of \$218,000. As the likelihood of the outcome and potential damages, if any, ensuing from this lawsuit are not determinable at the date of reporting, no provision has been made in the financial statements for any costs associated with this lawsuit.

18. 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.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
2008-2009				
Government of Alberta:				
Education	\$26,056	\$1,675,632	\$141,163,934	\$0
Infrastructure & Transportation	0	0	0	0
Finance	2,995,353	10,956,264	916,293	
Health & Wellness	69,775	0	401,402	0
Human Resources/Employment	15,800	0	15,800	0
Other Gov't of Alberta departments	0	0	0	0
Other:				
Health authorities		0	0	154,604
Post-secondary institutions	6,352	0	104,303	29,901
Other Alberta school jurisdictions	218,576	0	874,011	437,579
Other related parties	0	0	0	0
TOTAL 2008-2009	<u>\$3,331,912</u>	<u>\$12,631,896</u>	<u>\$143,475,743</u>	<u>\$622,084</u>
TOTAL 2007-2008	<u>\$2,455,155</u>	<u>\$17,169,495</u>	<u>\$130,498,428</u>	<u>\$750,714</u>

Contingencies or Contractual Obligations with related parties are under separate disclosure.

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

22. FINANCIAL INSTRUMENTS

The Jurisdiction's financial instruments are comprised of cash and temporary investments, accounts receivables, school generated funds, trust assets, long term accounts receivable, accounts payable and accrued liabilities, trust liabilities and long term debt. The carrying value of all financial instruments, excluding long-term debt, approximates fair value due to the short term nature of these instruments. The fair value of the long-term debt as at August 31, 2009 is \$7,397,982 (2008 - \$8,863,698).

The Jurisdiction is exposed to interest risk to the extent that there are fluctuations on interest payable on overdraft balances. However, the Jurisdiction has minimized overdraft balances in order to mitigate the concentration of interest risk.

The Jurisdiction is exposed to credit risk to the extent that its clients may experience financial difficulty and would be unable to meet their obligations. However, the jurisdiction has a large number of diverse clients which minimizes concentration of credit risk.

23. MANAGEMENT OF CAPITAL

The Jurisdiction's objective when managing capital is to ensure it has adequate cash flow to maintain operations and fund capital projects. The Jurisdiction manages its capital structure and makes adjustments due to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Jurisdiction may obtain new debt and/or obtain new debt to replace existing debt with different characteristics. Management and the Board of Trustees also carefully consider grants and fees to ensure that sufficient funds will be available to meet the Jurisdiction's short and long-term objectives.

24. NON MONETARY TRANSACTION

The jurisdiction transacted a non-monetary exchange of land. The parcel of land given up and the parcel of land received were of equal size and in close proximity. The transaction lacks commercial substance and therefore is measured at its carrying value. No gain or loss was recorded as a result of this transaction.

25. COMPARATIVE FIGURES

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

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009
[School Act, Section 276]

ROCKY VIEW SCHOOLS

Legal Name of School Jurisdiction

2651 Chinook Winds Drive SW, Airdrie AB, T4M 0B4

Mailing Address

403-945-4000 403-945-4001

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

Darrell Couture
Name

Original signed
Signature

3-Dec-09

Dated _____

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
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: _____

1190

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops		Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$5,148,825	\$100,549,485	\$18,579,169	\$10,466,234	\$4,959,735	\$1,327,727	\$141,031,175	
(2) Other - Government of Alberta	\$0	\$1,422	\$926,721	\$790	\$3,160	\$132,759	\$1,064,852	
(3) Federal Government and First Nations	\$22,514	\$724,660	\$103,495	\$0	\$0	\$0	\$850,669	
(4) Other Alberta school authorities	\$0	\$41,945	\$0	\$177,192	\$0	\$0	\$219,137	
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(7) Instruction resource fees	\$23,910	\$2,086,180					\$2,110,090	
(8) Transportation fees-ECS				\$50,599			\$50,599	
(9) Transportation fees-Grades 1-12				\$1,002,095			\$1,002,095	
(10) Other sales and services	\$0	\$548,945	\$343,674	\$25,452	\$23,864	\$0	\$941,935	
(11) Investment income	\$0	\$166,614	\$25,438	\$13,141	\$0	\$12,941	\$218,134	
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$29,565	\$0	\$29,565	
(13) Rental of facilities	\$0	\$135,462	\$276,680	\$0	\$14,263	\$0	\$426,405	
(14) Net school generated funds	\$0	\$4,227,071	\$0	\$0	\$0	\$0	\$4,227,071	
(15) Gains on disposal of capital assets	\$0	\$0	\$105,185	\$0	\$0	\$0	\$105,185	
(16) Amortization of capital allocations	\$0	\$0	\$6,099,851	\$0	\$0	\$0	\$6,099,851	
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(18) TOTAL REVENUES	\$5,195,249	\$108,481,784	\$26,460,213	\$11,735,503	\$5,030,587	\$1,473,427	\$158,376,763	
EXPENSES								
(19) Certificated salaries	\$3,059,710	\$66,975,230			\$904,900	\$0	\$70,939,840	
(20) Certificated benefits	\$337,443	\$8,361,427			\$78,809	\$0	\$8,777,679	
(21) Non-certificated salaries and wages	\$925,528	\$13,970,848	\$5,196,090	\$346,819	\$2,496,471	\$207,321	\$23,143,077	
(22) Non-certificated benefits	\$182,697	\$3,619,437	\$1,215,607	\$80,305	\$630,824	\$41,919	\$5,770,789	
(23) SUB - TOTAL	\$4,505,378	\$92,926,942	\$6,411,697	\$427,124	\$4,111,004	\$249,240	\$108,631,385	
(24) Services, contracts and supplies	\$501,230	\$10,384,476	\$12,715,580	\$10,686,563	\$211,002	\$1,224,187	\$35,723,038	
(25) Net school generated funds	\$0	\$4,227,071					\$4,227,071	
(26) Amortization of capital assets	\$0	\$246,910	\$6,385,664	\$0	\$506,378		\$7,138,952	
(27) Interest and charges	\$0	\$14,935	\$918,909	\$1,427	\$202,203	\$0	\$1,137,474	
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
(30) TOTAL EXPENSES	\$5,006,608	\$107,800,334	\$26,431,850	\$11,115,114	\$5,030,587	\$1,473,427	\$156,857,920	
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$188,641	\$681,450	\$28,363	\$620,389	\$0	\$0	\$1,518,843	

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$3,131,353
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$2,346,956	\$2,005,663	\$341,293
Student fees (Non-Instructional) (Note 1)	\$3,071,620		\$3,071,620
Donations and grants to schools	\$217,322	\$0	\$217,322
Other (describe):	\$407,074	\$183,505	\$223,569
Net Additions to SGF	\$6,042,972	\$2,189,168	\$3,853,804
Net SGF Available			\$6,985,157
Uses of Net School Generated Funds:			
Extra-curricular activities			\$2,760,642
Field Trips			\$1,241,568
Other (describe): School beautification, equipment and other			\$224,861
Total Uses of Net SGF (Note 2)			\$4,227,071
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$2,758,086

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.

Notes:

- 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
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.

**SCHEDULE C
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$3,856,566	\$1,080,027	\$0	\$0	\$259,497		\$5,196,090		\$5,196,090
Uncertificated benefits	\$761,638	\$398,869	\$0	\$0	\$55,100		\$1,215,607		\$1,215,607
Sub-total Remuneration	\$4,618,204	\$1,478,896	\$0	\$0	\$314,597		\$6,411,697		\$6,411,697
Supplies and services	\$856,034	\$2,630,561	\$0	\$6,494,418	\$0		\$9,981,013		\$9,981,013
Electricity			\$1,238,346				\$1,238,346		\$1,238,346
Natural Gas/Heating Fuel			\$787,559				\$787,559		\$787,559
Sewer and Water			\$379,908				\$379,908		\$379,908
Telecommunications			\$22,926				\$22,926		\$22,926
Insurance					\$305,828		\$305,828		\$305,828
Amortization of capital assets									
Supported								\$6,176,564	\$6,176,564
Unsupported						\$209,100	\$209,100		\$209,100
Total Amortization						\$209,100	\$209,100		\$209,100
Interest on capital debt									
Supported								\$916,294	\$916,294
Unsupported									
Other interest charges							\$553		\$553
Losses on disposal of capital assets							\$2,062		\$2,062
TOTAL EXPENSES	\$5,474,238	\$4,109,457	\$2,428,739	\$6,494,418	\$620,425	\$211,715	\$19,338,992	\$7,092,858	\$26,431,850
SQUARE METRES									
School Buildings									176,359.0
Non School Buildings									5,851.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocations: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project administration, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.