

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

St. Paul Education Regional Division No. 1

Legal Name of School Jurisdiction

4901 - 47 Street St. Paul, Alberta T0A 3A3

Mailing Address

Phone: (780) 645-3323 Fax: (780) 645-5789

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of St. Paul Education Regional Division No. 1 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

Darrell Younghans

Name

Original signed

Signature

SUPERINTENDENT

Glen Brodziak

Name

Original signed

Signature

SECRETARY TREASURER OR TREASURER

Jean Champagne

Name

Original signed

Signature

26-Nov-09

Board-approved Release Date

TABLE OF CONTENTS

	Page
AUDITORS' REPORT INSERT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CAPITAL ALLOCATIONS	8
NOTES TO THE FINANCIAL STATEMENTS INSERT	9



WildeandCompany
Chartered Accountants

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AUDITORS' REPORT

To the Board of Trustees
St. Paul Education Regional Division No. 1

We have audited the statement of financial position of the St. Paul Education Regional Division No. 1 as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Vegreville, Alberta
November 3, 2009

Wilde • Company
Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

		2009	2008 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note x)	\$6,893,267	\$7,025,522
Accounts receivable (net after allowances)	(Note x)	\$3,100,333	\$3,195,689
Prepaid expenses	(Note x)	\$228,038	\$189,113
Other current assets	(Note x)	\$0	\$0
Total current assets		\$10,221,638	\$10,410,324
School generated assets			
Trust assets	(Note x)	\$58,905	\$32,485
Long term accounts receivable	(Note x)	\$0	\$0
Long term investments	(Note x)	\$51,431	\$19,222
Capital assets (Note x)			
Land		\$804,791	\$804,791
Construction in Progress		\$258,833	\$0
Buildings	\$56,157,695		
Less: accumulated amortization	(\$17,464,717)	\$38,692,978	\$32,052,426
Equipment	\$3,217,000		
Less: accumulated amortization	(\$1,782,680)	\$1,434,320	\$1,229,709
Vehicles	\$2,727,350		
Less: accumulated amortization	(\$1,593,734)	\$1,133,616	\$1,220,024
Total capital assets		\$42,324,538	\$35,306,950
TOTAL ASSETS		\$53,294,034	\$46,342,709
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note x)	\$0	\$0
Accounts payable and accrued liabilities	(Note x)	\$2,387,212	\$2,722,155
Deferred revenue	(Note x)	\$1,146,835	\$1,096,602
Deferred capital allocations	(Note x)	\$68,299	\$457,719
Current portion of long term debt		\$380,878	\$443,139
Total current liabilities		\$3,983,224	\$4,719,615
School generated liabilities			
Trust liabilities	(Note x)	\$58,905	\$32,485
Employee future benefit liabilities	(Note x)	\$0	\$0
Long term debt (Note x)			
Supported: Debentures and other supported debt		\$1,210,213	\$1,653,351
Less: Current portion		(\$380,878)	(\$443,139)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities	(Note x)	\$0	\$0
Unamortized capital allocations	(Note x)	\$38,373,097	\$30,674,788
Total long term liabilities		\$39,898,859	\$32,491,213
TOTAL LIABILITIES		\$43,882,083	\$37,210,828
NET ASSETS			
Unrestricted net assets		\$882,891	\$577,177
Operating Reserves		\$5,787,836	\$5,575,897
Accumulated Operating Surplus (Deficit)		\$6,670,727	\$6,153,074
Investment in capital assets		\$2,741,224	\$2,978,807
Capital Reserves		\$0	\$0
Total Capital Funds		\$2,741,224	\$2,978,807
Total net assets		\$9,411,951	\$9,131,881
TOTAL LIABILITIES AND NET ASSETS		\$53,294,034	\$46,342,709

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	\$33,338,238	\$33,396,905	\$31,862,629
Federal Government and First Nations	\$10,862,853	\$9,711,646	\$9,989,578
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$238,074	\$240,892	\$230,286
Transportation fees	\$40,666	\$42,000	\$42,469
Other sales and services	\$312,645	\$300,000	\$759,597
Investment income	\$151,042	\$300,000	\$303,136
Gifts and donations	\$81,548	\$50,000	\$53,444
Rental of facilities	\$87,380	\$61,443	\$75,217
Net school generated funds	\$616,712	\$715,000	\$701,843
Gains on disposal of capital assets	\$10,941	\$0	\$0
Amortization of capital allocations	\$1,133,078	\$817,000	\$723,103
Other revenue	\$154,010	\$0	\$0
Total Revenues	\$47,027,187	\$45,634,886	\$44,741,302
EXPENSES			
Certificated salaries (Note x)	\$21,733,037	\$21,407,756	\$20,736,222
Certificated benefits (Note x)	\$2,359,473	\$2,328,091	\$2,364,028
Non-certificated salaries and wages (Note x)	\$9,541,364	\$9,507,830	\$8,755,276
Non-certificated benefits (Note x)	\$1,941,825	\$1,796,988	\$1,837,845
Services, contracts and supplies	\$8,724,608	\$9,075,030	\$8,318,109
Net school generated funds	\$616,712	\$715,000	\$701,843
Capital and debt services			
Amortization of capital assets			
Supported	\$1,133,078	\$817,000	\$723,103
Unsupported	\$505,657	\$337,000	\$341,842
Total Amortization of capital assets	\$1,638,735	\$1,154,000	\$1,064,945
Interest on capital debt			
Supported	\$189,108	\$187,201	\$204,978
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$189,108	\$187,201	\$204,978
Other interest and charges	\$2,255	\$2,500	\$5,120
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$46,747,117	\$46,174,396	\$43,988,366
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$280,070	(\$539,510)	\$752,936
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$280,070	(\$539,510)	\$752,936

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	\$280,070	\$752,935
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,133,078)	(\$723,103)
Total amortization expense	\$1,638,735	\$1,064,945
Gains on disposal of capital assets	(\$10,941)	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$95,356	\$10,177,237
Prepays and other current assets	(\$38,925)	\$213,981
Long term accounts receivable	\$0	\$0
Long term investments	(\$32,209)	(\$19,222)
Accounts payable and accrued liabilities	(\$334,943)	\$823,202
Deferred revenue	\$50,233	\$135,405
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$514,298	\$12,425,380
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$676,417)
Buildings	(\$7,793,611)	(\$16,944,644)
Equipment	(\$486,904)	(\$913,237)
Vehicles	(\$130,691)	(\$538,770)
Net proceeds from disposal of capital assets	\$24,657	\$0
Other (describe) Construction in progress	(\$258,833)	\$676,417
Total cash flows from Investing activities	(\$8,645,382)	(\$18,396,651)
C. FINANCING ACTIVITIES		
Capital allocations	\$7,998,829	\$7,184,467
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$443,138)	(\$626,068)
Add back: supported portion	\$443,138	\$626,068
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$7,998,829	\$7,184,467
Net cash flows from during the year	(\$132,255)	\$1,213,196
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$7,025,522	\$5,812,326
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$6,893,267	\$7,025,522

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: 2185

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS												(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services					
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves				
Balance at August 31, 2008	\$9,131,881	\$2,978,807	\$577,177	\$5,575,897	\$0	\$570,000	\$0	\$2,284,259	\$0	\$2,438,693	\$0	\$282,945	\$0	\$0	\$0				
Prior period adjustments (describe)																			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Adjusted Balance, Aug. 31, 2008	\$9,131,881	\$2,978,807	\$577,177	\$5,575,897	\$0	\$570,000	\$0	\$2,284,259	\$0	\$2,438,693	\$0	\$282,945	\$0	\$0	\$0				
Excess (deficiency) of revenue over expenses	\$280,070		\$280,070																
Board funded capital additions		\$281,790	(\$281,790)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Disposal of unsupported capital assets	\$0	(\$13,716)	(\$10,941)		\$24,657				\$0	\$0	\$12,200		\$12,457		\$0				
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0				\$0	\$0	\$0		\$0		\$0				
Direct credits to net assets	\$0	\$0																	
Amortization of capital assets		(\$1,638,735)	\$1,638,735																
Amortization of capital allocations		\$1,133,078	(\$1,133,078)																
Debt principal repayments (unsupported)		\$0	\$0																
Net transfers to operating reserves			(\$445,934)	\$445,934		\$0		\$0		\$445,934		\$0		\$0	\$0				
Net transfers from operating reserves			\$233,995	(\$233,995)		(\$233,995)		\$0		\$0		\$0		\$0	\$0				
Net transfers to capital reserves			\$24,657		(\$24,657)				\$0	(\$12,200)			(\$12,457)		\$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				
Balance at August 31, 2009	\$9,411,951	\$2,741,224	\$882,891	\$5,787,836	\$0	\$336,005	\$0	\$2,284,259	\$0	\$2,884,627	\$0	\$282,945	\$0	\$0	\$0				

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

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$457,719	\$30,674,788
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$457,719	\$30,674,788
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$7,998,829	
Other Government of Alberta		
Federal Government and First Nations	\$0	
Other sources		
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations		
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)		
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$443,138
Expended capital allocations - current year	(\$8,388,249)	\$8,388,249
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,133,078
Balance at August 31, 2009	\$68,299	\$38,373,097

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

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

1. AUTHORITY AND PURPOSE

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

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

b) Revenue Recognition

Revenue is recognized as follows:

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

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

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

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

c) Capital Assets

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

Buildings - 2.5 to 10%

Equipment - 20%

Vehicles - 10 to 20%

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

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

d) Financial Instruments

The financial instruments of St. Paul Education Regional Division No.1 consist of cash, receivables, investments, payables, and long term debt. The jurisdiction has chosen not to adopt CICA Handbook Sections 3862 and 3863 however, in accordance with Section 3855 (Financial Instruments - Recognition and Measurement) of the Canadian Institute of Chartered Accountants (CICA) handbook, these financial instruments are designated and measured as follows:

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

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

e) Capital Disclosures

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

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

f) School Generated Funds

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

g) Vacation Pay

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

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

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) 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 St. Paul Education Regional Division No. 1 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 \$319,667 for the year ended August 31, 2009 (\$252,941 - 2008). At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 a deficiency of \$1,183,334,000). Effective for the 2008-2009 fiscal year, the Government of Alberta has taken responsibility for the LAPP unfunded liabilities.

j) 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.

k) Measurement Uncertainty

The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized in this note.

l) 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.

m) Investments

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

3. ACCOUNTS RECEIVABLE	2009	2008
Provincial government grants	\$ 895,136	\$ 603,589
Federal government grants	1,855,059	2,115,103
GST recoverable	178,743	205,725
Other accounts receivable	171,395	271,272
	\$ 3,100,333	\$ 3,195,689

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

4. CAPITAL ASSETS	Cost	Accumulated Amortization	Net Book Value 2009	Net Book Value 2008
Land	\$ 804,791	\$ -	\$ 804,791	\$ 804,791
Construction in progress - Racette Junior	258,833	-	258,833	-
Buildings	56,157,695	17,464,717	38,692,978	32,052,426
Equipment	3,217,000	1,782,680	1,434,320	1,229,709
Vehicles	2,727,350	1,593,734	1,133,616	1,220,024
	\$ 63,165,669	\$ 20,841,131	\$ 42,324,538	\$ 35,306,950

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2009	2008
Province of Alberta	\$ 557,524	\$ 109,104
Federal Government	419,013	383,138
Other trade payables and accrued liabilities	1,410,675	2,229,913
	\$ 2,387,212	\$ 2,722,155

6. DEFERRED REVENUE

	Opening	Additions	Deductions	Closing
IMR grants	\$ 751,140	\$ 675,845	\$ 711,574	\$ 715,411
AISI grants	152,969	548,892	701,861	-
SPECS proceeds	-	324,788	77,488	247,300
Other revenues and grants	192,493	-	8,369	184,124
	\$ 1,096,602	\$ 1,549,525	\$ 1,499,292	\$ 1,146,835

7. 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 yet been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

	Opening	Capital Funds received or receivable	Transfer to unamortized capital allocations	Closing
	\$	\$	\$	\$
Two Hills Modernization - interest earned	34,906	-	-	34,906
Glen Avon fence	-	48,588	48,588	-
Racette Junior High - CIP	-	258,833	258,833	-
St. Paul Elementary - infrastructure managed	-	6,805,456	6,805,456	-
St. Paul Elementary - modernization	-	291,115	291,115	-
St. Paul RHS - CTS expansion	359,079	143,496	502,575	-
Two Hills Modular	-	451,341	417,948	33,393
Skills Canada - CTS	63,734	-	63,734	-
	457,719	7,998,829	8,388,249	68,299

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

8. UNAMORTIZED CAPITAL ALLOCATIONS

2009

2008

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.

Consisting of:

Opening balance	\$ 30,674,788	\$ 13,368,119
Transfer from deferred capital allocations - Note 7	8,388,249	17,532,912
Supported debenture and capital loan principal repayments	443,138	626,067
Net book value of supported asset disposal	-	(129,207)
Less capital allocation for amortization	(1,133,078)	(723,103)
	\$ 38,373,097	\$ 30,674,788

9. LONG TERM DEBT

a) Debenture Debt - Supported

The debenture debt bears interest at rates varying between 7.875% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are as follows:

	2009	2008
Debentures	\$ 1,210,213	\$ 1,803,352
Glen Avon debenture payout	-	(150,000)
Less current portion of debt	380,878	443,139
Long term debt	\$ 829,335	\$ 1,210,213

School Year	Principal	Interest	Total
2009-2010	\$ 380,878	\$ 126,449	\$ 507,327
2010-2011	307,016	85,158	392,174
2011-2012	210,060	53,919	263,979
2012-2013	100,069	32,367	132,436
2013-2014	66,498	21,762	88,260
2014 to maturity	145,692	27,266	172,958
	\$ 1,210,213	\$ 346,921	\$ 1,557,134

b) Capital Leases - Unsupported

Currently there are no capital leases held by the jurisdiction.

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

10. OPERATING RESERVES

	Opening	Transfers from Operations	Transfers to Operations	Closing
Instruction	\$ 570,000	\$ -	\$ (233,995)	\$ 336,005
Administration	500,000	-	-	500,000
Facility replacement	1,918,693	445,934	-	2,364,627
Election	20,000	-	-	20,000
Operations/maintenance	2,234,259	-	-	2,234,259
BQRP	50,000	-	-	50,000
Transportation	282,945	-	-	282,945
	\$ 5,575,897	\$ 445,934	\$ (233,995)	\$ 5,787,836

11. CAPITAL RESERVES

	Opening	Transfers from Operations	Transfers to Operations	Closing
Equipment	\$ -	\$ 24,657	\$ 24,657	\$ -
Balance, end of period	\$ -	\$ 24,657	\$ 24,657	\$ -

12. SCHOOL GENERATED FUNDS

	2009	2008
Balance, beginning of year	\$ 573,728	\$ 542,856
Source of school generated funds (SGF)		
SGF for the year	1,328,108	1,303,784
Less cost of generating SGF	(750,148)	(701,762)
Donations received	102,546	99,821
Net SGF additions for the year	680,506	701,843
Net SGF available for discretionary spending	1,254,234	1,244,699
SGF expended for discretionary purposes	(616,712)	(670,971)
Balance, end of year	\$ 637,522	\$ 573,728

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

13. RELATED PARTY TRANSACTIONS

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

2008/09	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta				
Education	\$ 32,719	\$ 492,170	\$ 32,453,115	\$ -
Finance	65,354	65,354	189,108	189,108
Other Gov't of Alberta depts.	5,800	-	696,015	-
Capital funding	791,263	-	1,323,960	1,323,960
TOTAL 2008-09	\$ 895,136	\$ 557,524	\$ 34,662,198	\$ 1,513,068
TOTAL 2007-08	\$ 603,589	\$ 1,013,212	\$ 31,862,629	\$ 204,978

14. REMUNERATION AND MONETARY INCENTIVES

The St. Paul Education Regional Division No. 1 has paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions and persons in groups as follows. Note that benefits for the Sec/Treas include the employer share of Local Authorities Pension Plan, whereas benefits for the Superintendent do not include Alberta Education contributions for the Teachers Retirement Fund pension plan.

	FTE	Remuneration	Benefits & Allowances	Total	Reimbursed Expenses
Darrell Younghans, Chairman	1	\$ 15,839	\$ 4,256	\$ 20,095	\$ 7,014
Other Board Members:					
Rhonda Lafrance	1	16,735	1,884	18,619	5,972
Maureen Miller	1	17,536	4,265	21,801	6,601
Don Padlesky	1	12,382	555	12,937	4,380
Ron Rudkowsky	1	16,271	1,709	17,980	10,487
Deb Pederson	1	18,940	4,019	22,959	10,780
Steve Upham	1	17,790	4,713	22,503	10,763
		115,493	21,401	136,894	55,997
Doug Yeo (Superintendent)	0.6	91,748	11,606	103,354	11,219
Glen Brodziak (Superintendent)	0.4	56,500	6,646	63,146	2,201
Jean Champagne (Sec/Treas)	1	111,832	26,690	138,522	2,794
Salaries - Certificated	275.0	21,584,789	2,341,221	23,926,010	-
Salaries - Uncertificated	330.0	9,314,039	1,893,734	11,207,773	-
		31,158,908	4,279,897	35,438,805	16,214
		\$ 31,274,401	\$ 4,301,298	\$ 35,575,699	\$ 72,211

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

15. CONTINGENCIES

Contingent Assets

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 the equity is subject to liability claims.

Contingent Liabilities

The jurisdiction is a member of the Alberta School Board Insurance Exchange (ASBIE). Under the terms of membership, the jurisdiction could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

16. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The School Division is exposed to minimal credit risk from customers. In order to reduce its credit risk, the School Division reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The School Board is dependant on Alberta Education as the major provider for funding as discussed in the Economic Dependence note. See Note 20.

Fair Value

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

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

Interest Rate

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

17. INDEBTEDNESS

a) Line of Credit

The jurisdiction has negotiated a line of credit in the amount of \$2,500,000 that bears interest at bank prime less 1/2%. 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, 2009.

b) Credit Card

The jurisdiction has approved a combined credit card charge limit of \$160,000 through the U.S. Bank Canada. The credit cards are assigned to various individuals throughout the school jurisdiction and have varying credit limits. The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2009 was nil.

ST. PAUL EDUCATION REGIONAL DIVISION NO. 1
NOTES TO FINANCIAL STATEMENTS
For the year ended August 31, 2009

18. CAPITAL DISCLOSURES

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

Alberta Education approves school facilities construction based on long term capital plans and provides the majority of the funding through one-time grants. The School Division funds the required equipment and systems by a combination of allocating a portion of operating funds and fundraising activities by schools. Capital plans are evaluated each year by management. The School Division is currently modernizing the St. Paul Elementary School. The project costs to August 31, 2009 were \$6.8 million of an estimated total cost of \$11 million to complete. St. Paul Education is also committed to a government funded project of Racette School. The central office unfunded 2009/2010 project is estimated at \$3.3 million.

19. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 26, 2008. It is presented for information purposes only and has not been audited. These financial statements contain the amended budget details as approved by the Board.

20. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

St. Paul Education Regional Division No. 1's primary source of income is from the Alberta Government. In addition, the Division receives substantial funding from the Federal Government for First Nation students. The Division's ability to continue viable operations is dependent on this funding.

21. FUTURE ACCOUNTING CHANGES

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

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

St. Paul Education Regional Division No. 1 has not yet assessed the impact of adopting these new standards on the financial position, reported results or disclosures and will only adopt those policies that are applicable to St. Paul Education Regional Division No. 1.

22. SUBSEQUENT EVENT

On August 27, 2009 Alberta Education announced that a fiscal correction was required to help offset a provincial deficit and that the department would access local school board reserves as a means to mitigate the overall impact. As a result, St. Paul Education Regional Division No. 1 will see its 2009-10 funding reduced by \$597,447 or \$132.58 per student as part of this reserve transfer. The reduction for 2010-2011 funding has yet to be determined by Alberta Education.

23. 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]

St. Paul Education Regional Division No. 1

Legal Name of School Jurisdiction

4901 - 47 Street St. Paul, Alberta T0A 3A3

Mailing Address

Phone: (780) 645-3323 Fax: (780) 645-5789

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

Jean Champagne
Name

" Original Signed"
Signature

26-Nov-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

TABLE OF CONTENTS

		Page
SCHEDULE A	Allocation of Revenues and Expenses to Programs	3
SCHEDULE B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 2185

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	\$1,287,009	\$21,970,808	\$4,127,525	\$3,096,943	\$1,370,830	\$0	\$32,453,115
(2) Other - Government of Alberta	\$0	\$696,015	\$189,108	\$0	\$0	\$0	\$885,123
(3) Federal Government and First Nations	\$246,760	\$8,970,371	\$1,143,838	\$34,207	\$467,677	\$0	\$10,862,853
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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	\$6,653	\$231,421					\$238,074
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$40,666			\$40,666
(10) Other sales and services	\$0	\$305,897	\$1,940	\$893	\$3,915	\$0	\$312,645
(11) Investment income	\$5,156	\$107,967	\$18,976	\$10,769	\$8,174	\$0	\$151,042
(12) Gifts and donations	\$0	\$81,548	\$0	\$0	\$0	\$0	\$81,548
(13) Rental of facilities	\$0	\$0	\$53,340	\$34,040	\$0	\$0	\$87,380
(14) Net school generated funds	\$0	\$616,712	\$0	\$0	\$0	\$0	\$616,712
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$10,941	\$0	\$0	\$10,941
(16) Amortization of capital allocations	\$0	\$26,063	\$1,107,015	\$0	\$0	\$0	\$1,133,078
(17) Other revenue	\$0	\$0	\$154,010	\$0	\$0	\$0	\$154,010
(18) TOTAL REVENUES	\$1,545,578	\$33,006,802	\$6,795,752	\$3,228,459	\$2,450,596	\$0	\$47,027,187
EXPENSES							
(19) Certificated salaries	\$738,503	\$20,453,283			\$541,251	\$0	\$21,733,037
(20) Certificated benefits	\$82,013	\$2,212,243			\$65,217	\$0	\$2,359,473
(21) Non-certificated salaries and wages	\$407,935	\$6,121,463	\$1,849,294	\$458,670	\$704,002	\$0	\$9,541,364
(22) Non-certificated benefits	\$70,479	\$1,308,220	\$352,053	\$47,338	\$163,735	\$0	\$1,941,825
(23) SUB - TOTAL	\$1,298,930	\$30,095,209	\$2,201,347	\$506,008	\$1,474,205	\$0	\$35,575,699
(24) Services, contracts and supplies	\$126,607	\$3,507,563	\$2,451,793	\$2,159,420	\$479,225	\$0	\$8,724,608
(25) Net school generated funds	\$0	\$616,712					\$616,712
(26) Amortization of capital assets	\$0	\$278,545	\$1,167,684	\$168,360	\$24,146	\$0	\$1,638,735
(27) Interest and charges	\$0	\$0	\$189,108	\$0	\$2,255	\$0	\$191,363
(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	\$1,425,537	\$34,498,029	\$6,009,932	\$2,833,788	\$1,379,831	\$0	\$46,747,117
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$120,041	(\$1,491,227)	\$785,820	\$394,671	\$470,765	\$0	\$280,070

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

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$573,728
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$840,095	\$557,870	\$282,225
Student fees (Non-Instructional) (Note 1)	\$429,080	\$144,929	\$284,151
Donations and grants to schools	\$102,546	\$10,895	\$91,651
Other (describe):	\$58,933	\$36,454	\$22,479
Net Additions to SGF	\$1,430,654	\$750,148	\$680,506
Net SGF Available			\$1,254,234
Uses of Net School Generated Funds:			
Extra-curricular activities			\$419,628
Field Trips			\$148,085
Other (describe):			\$48,999
Total Uses of Net SGF (Note 2)			\$616,712
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$637,522

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	\$1,263,103	\$528,794	\$0	\$0	\$57,398		\$1,849,295		\$1,849,295
Uncertificated benefits	\$231,610	\$108,455	\$0	\$0	\$11,987		\$352,052		\$352,052
Sub-total Remuneration	\$1,494,713	\$637,249	\$0	\$0	\$69,385		\$2,201,347		\$2,201,347
Supplies and services	\$179,511	\$463,319	\$6,144	\$712,574	\$6,799		\$1,368,347		\$1,368,347
Electricity		\$437,099	\$437,099				\$437,099		\$437,099
Natural Gas/Heating Fuel		\$521,901	\$521,901				\$521,901		\$521,901
Sewer and Water		\$37,564	\$37,564				\$37,564		\$37,564
Telecommunications		\$19,422	\$19,422				\$19,422		\$19,422
Insurance					\$67,460		\$67,460		\$67,460
Amortization of capital assets									
Supported								\$1,107,015	\$1,107,015
Unsupported						\$60,669	\$60,669		\$60,669
Total Amortization						\$60,669	\$60,669	\$1,107,015	\$1,167,684
Interest on capital debt									
Supported								\$0	\$0
Unsupported						\$189,108	\$189,108		\$189,108
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
TOTAL EXPENSES	\$1,674,224	\$1,100,568	\$1,022,130	\$712,574	\$143,644	\$249,777	\$4,902,917	\$1,107,015	\$6,009,932
SQUARE METRES									
School Buildings									63,578.0
Non School Buildings									1,404.0

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.