

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

The Chinook`s Edge School Division No. 73

Legal Name of School Jurisdiction

4904 - 50 Street, Innisfail, AB T4G 1W4

Mailing Address

Phone (403)227-7080 Fax (403) 227-3652

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of The Chinook`s Edge School Division No. 73 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

Mr. Ian Taylor

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Mr. Jim Gibbons

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Mrs. Susan Roy, MBA, CSBO, CGA

Name

"ORIGINAL SIGNED"

Signature

November 18, 2009

Board-approved Release Date

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Auditors' Report

To the Board of Trustees of Chinook's Edge School Division No. 73:

We have audited the statement of financial position of Chinook's Edge School Division No. 73 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 Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

Meyers Norris Penny LLP

Red Deer, Alberta

November 9, 2009

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

		2009	2008 (Note) Restated
ASSETS			
Current assets			
Cash and temporary investments	(Note 2, 4)	\$13,115,219	\$12,054,334
Accounts receivable (net after allowances)	(Note 2, 5)	\$9,383,687	\$16,664,314
Prepaid expenses	(Note 2)	\$1,432,683	\$1,295,912
Other current assets	(Note 6)	\$6,030,081	\$425
Total current assets		\$29,961,670	\$30,014,985
School generated assets	(Note 2)	\$1,169,406	\$1,151,310
Trust assets	(Note 2, 13)	\$938,499	\$892,395
Long term accounts receivable	(Note 2)	\$0	\$0
Long term investments	(Note 2, 7)	\$137,316	\$109,773
Capital assets (Note 2, 8)			
Land		\$2,860,070	\$2,860,270
Construction in Progress		\$24,915,155	\$17,758,760
Buildings	\$141,209,826		
Less: accumulated amortization	(\$58,038,555)	\$83,171,271	\$76,867,525
Equipment	\$13,399,544		
Less: accumulated amortization	(\$6,436,041)	\$6,963,503	\$4,732,113
Vehicles	\$9,592,903		
Less: accumulated amortization	(\$5,292,657)	\$4,300,246	\$4,367,237
Total capital assets		\$122,210,245	\$106,585,895
TOTAL ASSETS		\$154,417,136	\$138,754,358
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note 9)	\$0	\$0
Accounts payable and accrued liabilities	(Note 2, 10)	\$13,531,364	\$11,918,177
Deferred revenue	(Note 11)	\$3,944,748	\$5,382,945
Deferred capital allocations	(Note 15)	\$7,007,345	\$6,247,303
Current portion of long term debt	(Note 14)	\$1,006,747	\$1,360,497
Total current liabilities		\$25,490,204	\$24,908,922
School generated liabilities		\$1,169,406	\$1,151,310
Trust liabilities	(Note 2, 13)	\$938,499	\$892,395
Employee future benefit liabilities	(Note 2)	\$140,248	\$140,500
Long term debt (Note 2, 14, 24)			
Supported: Debentures and other supported debt		\$2,744,671	\$3,505,168
Less: Current portion		(\$706,747)	(\$760,497)
Unsupported: Debentures and Capital Loans		\$300,000	\$900,000
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		(\$300,000)	(\$600,000)
Other long term liabilities	(Note 2)	\$0	\$0
Unamortized capital allocations	(Note 16)	\$99,491,665	\$86,277,280
Total long term liabilities		\$103,777,742	\$91,506,156
TOTAL LIABILITIES		\$129,267,946	\$116,415,078
NET ASSETS			
Unrestricted net assets		\$1,000,000	\$1,000,000
Operating Reserves	(Note 2)	\$3,897,643	\$4,922,226
Accumulated Operating Surplus (Deficit)		\$4,897,643	\$5,922,226
Investment in capital assets		\$19,673,913	\$15,903,450
Capital Reserves	(Note 2)	\$577,634	\$513,604
Total Capital Funds		\$20,251,547	\$16,417,054
Total net assets		\$25,149,190	\$22,339,280
TOTAL LIABILITIES AND NET ASSETS		\$154,417,136	\$138,754,358

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	\$97,538,753	\$93,827,112	\$91,957,144
Federal Government and First Nations	\$177,265	\$62,015	\$344,586
Other Alberta school authorities	\$43,302	\$42,000	\$40,137
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$631,808	\$278,868	\$340,379
Instruction resource fees	\$1,055,864	\$842,545	\$1,043,668
Transportation fees	\$89,843	\$0	\$94,831
Other sales and services	\$509,249	\$287,590	\$338,025
Investment income	\$157,877	\$327,270	\$449,685
Gifts and donations	\$115,439	\$53,800	\$146,045
Rental of facilities	\$174,790	\$171,522	\$156,167
Net school generated funds	\$1,915,265	\$2,000,000	\$2,025,224
Gains on disposal of capital assets	\$205,009	\$615,000	\$36,308
Amortization of capital allocations	\$3,142,356	\$3,311,000	\$3,156,053
Other revenue	\$0	\$0	\$0
Total Revenues	\$105,756,820	\$101,818,722	\$100,128,252
EXPENSES			
Certificated salaries (Note 26)	\$49,512,096	\$49,005,352	\$47,579,944
Certificated benefits (Note 26)	\$5,301,730	\$5,542,940	\$5,309,712
Non-certificated salaries and wages (Note 26)	\$19,656,620	\$18,951,462	\$17,968,742
Non-certificated benefits (Note 26)	\$3,785,395	\$3,858,611	\$3,590,723
Services, contracts and supplies	\$16,526,847	\$18,297,854	\$15,464,529
Net school generated funds	\$1,915,265	\$2,000,000	\$2,025,224
Capital and debt services			
Amortization of capital assets			
Supported	\$3,142,356	\$3,311,000	\$3,156,053
Unsupported	\$2,737,175	\$2,683,164	\$2,377,225
Total Amortization of capital assets	\$5,879,531	\$5,994,164	\$5,533,278
Interest on capital debt			
Supported	\$323,373	\$320,000	\$359,350
Unsupported	\$16,301	\$70,000	\$73,402
Total Interest on capital debt	\$339,674	\$390,000	\$432,752
Other interest and charges	\$778	\$1,000	\$1,238
Losses on disposal of capital assets	\$28,974	\$0	\$287,912
Other expense	\$0	\$0	\$0
Total Expenses	\$102,946,910	\$104,041,383	\$98,194,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$2,809,910	(\$2,222,661)	\$1,934,198
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$2,809,910	(\$2,222,661)	\$1,934,198

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	\$2,809,910	\$1,934,198
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,142,356)	(\$3,156,053)
Total amortization expense	\$5,879,531	\$5,533,278
Gains on disposal of capital assets	(\$205,009)	(\$36,308)
Losses on disposal of capital assets	\$28,974	\$287,912
Changes in:		
Accounts receivable	\$7,280,627	(\$6,019,278)
Prepays and other current assets	(\$6,166,427)	(\$375,041)
Long term accounts receivable	\$0	\$0
Long term investments	(\$27,543)	(\$24,246)
Accounts payable and accrued liabilities	\$1,613,187	\$4,788,554
Deferred revenue	(\$1,438,197)	\$1,222,238
Employee future benefit liabilities	(\$252)	(\$1,800)
Other (describe) Adjustment for investing activities	\$6,029,724	\$0
Total cash flows from Operations	\$12,662,169	\$4,153,454
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$16,916,241)	(\$16,600,889)
Equipment	(\$3,959,816)	(\$1,009,118)
Vehicles	(\$788,334)	(\$1,893,551)
Net proceeds from disposal of capital assets	\$332,185	\$82,936
Other (describe) (Note 25)	(\$6,029,724)	(\$281,125)
Total cash flows from Investing activities	(\$27,361,930)	(\$19,701,747)
C. FINANCING ACTIVITIES		
Capital allocations	\$16,360,646	\$8,367,791
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,360,497)	(\$1,883,728)
Add back: supported portion	\$760,497	\$783,728
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$15,760,646	\$7,267,791
Net cash flows from during the year	\$1,060,885	(\$8,280,502)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$12,054,334	\$20,334,836
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$13,115,219	\$12,054,334

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: 53

(in dollars)

	(1)	(2)	(3)	(4) INTERNALLY RESTRICTED NET ASSETS						(5)	(6)	(7)	(8) Operations & Maintenance		(9) Board & System Admin.		(10) Transportation		(11) External Services		(12)	(13)	(14)	(15)				
	TOTAL NET ASSETS	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services		Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	
	Cols. 2+3+4+5	Cols. 6+8+10+12+14	Cols. 7+9+11+13+15	Cols. 6+8+10+12+14	Cols. 7+9+11+13+15	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	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	\$22,339,280	\$15,903,450	\$1,000,000	\$4,922,226	\$513,604	\$0	\$31,104	\$0	\$0	\$238,604	\$2,425	\$275,000	\$2,425	\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$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	\$22,339,280	\$15,903,450	\$1,000,000	\$4,922,226	\$513,604	\$0	\$31,104	\$0	\$0	\$238,604	\$2,425	\$275,000	\$2,425	\$275,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Excess (deficiency) of revenue over expenses	\$2,809,910		\$2,809,910																									
Board funded capital additions		\$5,974,993	\$0	\$0	\$5,974,993	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of unsupported capital assets	\$0	\$0	\$0		\$0	\$0																						
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0	\$0																						
Direct credits to net assets	\$0	\$0	\$0																									
Amortization of capital assets		\$0	\$0																									
Amortization of capital allocations		\$0	\$0																									
Debt principal repayments (unsupported)		\$0	\$0																									
Net transfers to operating reserves		\$0	\$0	\$0			\$2,220,827		\$112,228		\$698,874		\$0		\$0		\$0		\$0		\$0		\$0		\$0			
Net transfers from operating reserves		\$0	\$0	\$0			\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0			
Net transfers to capital reserves		\$0	\$0																									
Net transfers from capital reserves		\$0	\$0																									
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0			\$0																					
Balance at August 31, 2009	\$25,149,190	\$19,673,913	\$1,000,000	\$3,897,643	\$577,634	\$200,000	\$110,737	\$0	\$264	\$147,634	\$4,352	\$230,000	\$4,352	\$230,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$6,247,303	\$86,277,280
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$6,247,303	\$86,277,280
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$15,396,361	
Other Government of Alberta	\$339,688	
Federal Government and First Nations	\$0	
Other sources	\$450,000	
Interest earned on provincial government capital allocations	\$166,109	
Other capital grants and donations	\$8,488	
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		\$760,497
Expended capital allocations - current year	(\$15,600,604)	\$15,600,604
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$4,360
Capital allocations amortized to revenue		\$3,142,356
Balance at August 31, 2009	\$7,007,345	\$99,491,665

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

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

1. AUTHORITY AND PURPOSE

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. 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. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. 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.

b) Cash and Temporary Investments

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

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%
Vehicles & Buses	10% and 20%
Equipment & Furnishings	10% and 20%
Playground Equipment	5%
Technology Equipment (purchased after September 1, 2006)	33%

Capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. No amortization is recorded in the year that an asset is acquired or in the year of disposition.

d) School Generated Funds

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

e) Vacation Pay

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

f) 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 the contributions of active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Chinook's Edge School Division No. 73 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan (LAPP) and in a multi-employer senior management registered pension plan (SiPP), and does not report on any unfunded liabilities. The expense for these pension plans is equivalent to the annual employer contributions of \$773,690 (2008 - \$643,118) for LAPP and \$51,465 (2008 - \$33,486) for SiPP for the year ended August 31, 2009. As at December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2008 – 2009 fiscal year, the Government of Alberta has taken responsibilities for the LAPP unfunded liabilities.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

g) Inventories

Inventories are recorded at the lesser of cost or net realizable value. Cost is determined by the first in first out method.

h) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

i) Contributed Services

Volunteers contribute a considerable number of hours per year to schools, which are within the school division 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.

j) Operating and Capital Reserves

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

k) Employee Future Benefits

The School Division accrues its obligations under employee future benefit plans and expenses the related costs. The financial impact on the Division for the 2008/2009 school year was an accrual of \$140,248 (2007/2008 \$140,500). The total expense recorded in the financial statements is \$318,637 (2007/2008 \$118,450)

Defined benefit pension plan

The actuarial determination of the accrued benefit obligation for pensions used the project benefit method prorated on service (which incorporates management's best estimate of future salary levels, retirement ages of employees and other actuarial factors). Actuarial gains (losses) arise from the difference resulting from changes in actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated net actuarial gain (loss) over 10 percent of the greater of the benefit obligation and the fair value of the plan assets is amortized over the remaining service period of active employees. The average remaining service period of active employees covered by the pension plan is 10 years. Past service costs arising from plan initiation are deferred and amortized on a straight line basis over the average remaining service period of employees active at the date of initiation.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

l) Long-lived Assets

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The School Division performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying value of an asset, or group of assets, may not be recoverable. Impairment is measured as the amount by which the assets' carrying value exceeds its fair value. Any impairment is included in earnings for the year. Prices for similar items are used to measure fair value of long-lived assets.

m) Financial Instruments

Held for Trading

The School Division has classified the following financial assets and liabilities as held for trading: cash and temporary investments, restricted cash (trust assets) and long term investments. These instruments are initially recognized at their fair value, determined by recent arm's length market transactions for the same instrument. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current year earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment, are recognized in current year earnings.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in income.

Loans and Receivables

The School Division has classified the following financial assets as loans and receivables: accounts receivable. These assets are initially recognized at their fair value, approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Total interest income, calculated using the effective interest rate method, is recognized in net income.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

m) Financial Instruments (Continued)

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

Other Financial Liabilities

The School Division has classified the following financial liabilities as other financial liabilities: accounts payable and accrued liabilities, trust liabilities, and term debt. These liabilities are initially recognized at their fair value, determined by the discounted cash flow method. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in income. Total interest expense, calculated using the effective interest rate method, is recognized in net income.

Fees incurred on an exchange of financial liabilities or a modification of the terms of financial liabilities that is accounted for as an extinguishment are included as part of the gain or loss on extinguishment, while any related other costs incurred are recognized in current earnings. All fees and costs incurred on the exchange or modification of a financial liability not accounted for as an extinguishment are included in the carrying amount of the modified financial liability and amortized over its remaining expected life. Any related other costs incurred are recognized in current year earnings.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

3. CHANGE IN ACCOUNTING POLICIES

Effective September 1, 2008, the Division adopted the amendment to CICA Handbook Section 1400 *General Standards of Financial Statement Presentation*. This Section has been amended to include requirements to assess and disclose an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on the Division's ability to continue as a going concern, those uncertainties are disclosed. In assessing the going concern assumption, management considers all available information about the future, which is at least, but is not limited to, twelve months from August 31, 2009.

The adoption of this amendment to Section 1400 did not have a material impact on the Division's financial statements.

Inventories

Effective September 1, 2008, the School Division adopted the Canadian Institute of Chartered Accountants' new recommendation for inventory under CICA 3031 *Inventories*. The new Section provides guidance on the measurement and disclosure of inventories. The new recommendation establishes that inventories should be measured at the lower of cost and net realizable value and provides guidance on the determination of cost. There was no material impact on the financial statements from the retrospective application of the new accounting recommendations.

Capital Disclosures

Effective September 1, 2008, the School Division adopted the Canadian Institute of Chartered Accountants' new recommendations for disclosures about capital. Section 1535 *Capital Disclosures* establishes standards for disclosing what an entity regards as capital and an entity's objectives, policies and processes for managing its capital. The Section also prescribes disclosure regarding whether an entity has complied with any externally imposed capital requirements, and if not, the consequences of such non-compliance.

The adoption of this new standard did not have a material impact on the School Division's financial statements.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

4. CASH AND TEMPORARY INVESTMENTS

	2009			2008		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$13,115,219	\$13,115,219	-	\$12,054,334	\$12,054,334
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Guaranteed investment certificates	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	<u>0</u>	<u>0</u>	%	<u>0</u>	<u>0</u>
Total cash and temporary investments	<u>%</u>	<u>\$13,115,219</u>	<u>\$13,115,219</u>	<u>%</u>	<u>\$12,054,334</u>	<u>\$12,054,334</u>

Refer to Note 2 (m).

Included in cash and cash equivalents is Guaranteed Investment Certificates (GIC's) totaling \$10,596,445, bearing interest at 0.75% and maturing from September to October 2009.

5. ACCOUNTS RECEIVABLE

	2009	2008
Alberta Education	\$1,892,289	\$1,419,417
Alberta Infrastructure and Transportation	1,366	1,366
Alberta Finance	123,453	160,678
Other Province of Alberta	73,932	96,402
Federal Government	663,068	649,012
Alberta Municipalities	905,469	200,114
Other Alberta School Jurisdictions	13,460	241,704
Olds College	5,251,678	13,356,685
Other	458,972	538,936
Total	\$9,383,687	\$16,664,314

6. OTHER CURRENT ASSETS

Included in other current assets is Guaranteed Investment Certificates (GIC's) bearing interest from 0.75% to 3.25% and maturing from September 2009 to September 2010.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

7. LONG TERM INVESTMENTS

	2009			2008		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Fixed income securities						
Government of Canada, direct and guaranteed	%	\$0	\$0	%	\$0	\$0
Provincial, direct and guaranteed	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Pooled investment funds	8.25%	93,157	112,378	(3.15)%	89,039	86,482
Total fixed income securities	<u>%</u>	<u>0</u>	<u>0</u>	<u>%</u>	<u>0</u>	<u>0</u>
Equities						
Canadian	8.25%	10,701	13,265	(3.15)%	10,340	11,136
Foreign	8.25%	10,950	11,673	(3.15)%	10,394	9,375
Real Estate	%	0	0	%	0	0
Absolute return strategies	%	0	0	%	0	0
Total equities	<u>%</u>	<u>0</u>	<u>0</u>	<u>%</u>	<u>0</u>	<u>0</u>
Total long term investments	8.25%	\$114,808	\$137,316	(3.15)%	\$109,773	\$106,993

Please refer to Note 2 (m).

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009**

8. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress	Buildings 10-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2009	Total Aug. 31, 2008
Estimated Useful life								
Historical cost								
September 1, 2008	2,860,270	19,377,715	129,831,026	4,299,306	5,177,556	9,378,532	170,924,405	153,468,321
Additions	-	14,863,202	2,053,038	2,793,470	1,166,349	788,334	21,664,393	19,503,558
Transfers in (out)	-	(9,325,762)	9,325,762	-	-	-	-	-
Less disposals including write-offs	(200)	-	-	-	(37,137)	(573,963)	(611,300)	(2,047,474)
August 31, 2009	<u>2,860,070</u>	<u>24,915,155</u>	<u>141,209,826</u>	<u>7,092,776</u>	<u>6,306,768</u>	<u>9,592,903</u>	<u>191,977,498</u>	<u>170,924,405</u>
Accumulated amortization								
September 1, 2008	-	-	54,582,467	1,561,128	3,183,624	5,011,295	64,338,514	60,492,129
Amortization expense	-	-	3,456,089	1,307,300	383,989	732,150	5,879,528	5,533,278
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	(450,789)	(450,789)	(1,686,893)
August 31, 2009	-	-	<u>58,038,556</u>	<u>2,868,428</u>	<u>3,567,613</u>	<u>5,292,656</u>	<u>69,767,253</u>	<u>64,338,514</u>
Net Book Value at August 31, 2009	<u>2,860,070</u>	<u>24,915,155</u>	<u>83,171,270</u>	<u>4,224,348</u>	<u>2,739,155</u>	<u>4,300,247</u>	<u>122,210,245</u>	<u>106,585,891</u>

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

9. BANK INDEBTEDNESS

The Division has an authorized line of credit in the amount of \$5,000,000 (2008 - \$5,000,000) that bears interest at the Servus Credit Union prime rate less 1.0% and is secured by a general security agreement. There was a balance outstanding on the line of credit at August 31, 2009 of nil (2008 - nil). Bank indebtedness is monitored throughout the year to ensure compliance with Section 183(1) of the School Act. This Section requires that total borrowing cannot exceed total receivables.

	<u>2009</u>	<u>2008</u>
Accounts Receivable	\$9,406,914	\$16,664,314
Less: Bank Indebtedness	<u>0</u>	<u>0</u>
Allowable Bank Indebtedness	<u>\$5,000,000</u>	<u>\$ 5,000,000</u>

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2009</u>	<u>2008</u>
Alberta Finance	\$ 124,512	\$ 160,678
Federal Government	1,960,905	1,026,316
Other Alberta School Jurisdictions	56,531	179,482
Other Trade Payables and Accrued Liabilities	<u>11,389,416</u>	<u>10,551,701</u>
Total	<u>\$13,531,364</u>	<u>\$11,918,177</u>

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

11. DEFERRED REVENUE

Source and Grant or Fund Type	Deferred Revenue as at August 31, 2008	Add 2008/2009 Restricted Funds Received / Receivable	Deduct Restricted Funds Expended	Deferred Revenue as at August 31, 2009
Alberta Education Restricted Operational Funding:				
Alberta Initiative for School Improvement	490,283	1,471,425	1,695,740	265,968
Children and Youth with Complex Needs		32,000	32,000	0
CTS evergreen		220,569	206,257	14,312
Dual accreditation		400,000	46,237	353,763
Elementary Science		75,000	56,814	18,186
Health Pathways		325,000	6,128	318,872
High School Success	298,218	0	187,452	110,766
Infrastructure Maintenance Renewal	3,037,205	2,045,974	3,206,553	1,876,626
Innovative classrooms		374,403	368,318	6,085
Institutional Education Program				
One-to-one laptop initiative	40,741	0	27,663	13,077
Resources for the classroom	340,110	0	202,330	137,780
Small class size initiative				
Social studies resources	15,229	0	15,229	0
Student Health Initiative				
Supernet Service				
Technology in the classroom	207,380	0	175,797	31,583
Technology infrastructure	364,906	0	317,678	47,228
Other Alberta Education restricted funding				
Other deferred revenue	588,873	161,628	0	750,502
Total	\$5,382,945	\$5,105,999	\$6,544,196	\$3,944,748

12. OTHER REVENUE FROM ALBERTA EDUCATION

	<u>2009</u>	<u>2008</u>
Stabilization funding	285,036	272,910
Lease funding	246,801	260,526
Transportation fuel funding	336,767	543,956
Transportation bus safety funding	97,500	0
Total	<u>\$966,104</u>	<u>\$1,077,392</u>

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

13. TRUST ASSETS AND LIABILITIES

	<u>2009</u>	<u>2008</u>
Scholarship Trusts	\$828,865	\$846,821
Deferred Salary Leave Plan	104,998	42,863
Sunshine Fund	<u>4,636</u>	<u>2,711</u>
Total	<u>\$938,499</u>	<u>\$892,395</u>

14. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.0% and 11.125%. The debenture debt is fully supported by Alberta Finance. The current portion of the long-term debenture debt consists entirely of amounts payable by Alberta Finance on supported debt. Debenture payments due over the next six years are as follows:

	<u>2009</u>	<u>2008</u>
Principal balance with interest rates ranging from 8.0% to 11.125%.	\$2,744,671	\$3,505,168
Less: Current portion	<u>706,747</u>	<u>760,497</u>
	<u>\$2,037,923</u>	<u>\$2,744,671</u>

Principal repayments are estimated as follows:

2010	\$ 706,747
2011	671,747
2012	656,057
2013	422,357
2014	170,849
2015	<u>116,914</u>
	<u>\$2,744,671</u>

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

14. LONG TERM DEBT (Continued)

Capital loan – Unsupported

The demand capital loan bears interest at prime less 1.0%. Capital loan payments due over the next year are as follows:

	<u>2009</u>	<u>2008</u>
Principal balance with interest rate of prime less 1.0% secured by a general security agreement covering all division assets and assignment of adequate All Risk insurance.	\$ 300,000	\$ 900,000
Less: Current portion	<u>300,000</u>	<u>600,000</u>
	<u>\$ 0</u>	<u>\$ 300,000</u>

Principal repayments are estimated as follows:
2010

<u>300,000</u>
<u>\$ 300,000</u>

Capital Leases – Unsupported

There are no capital leases currently held by the School Division.

15. 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.

16. 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.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

17. ASSET RETIREMENT OBLIGATIONS

Asset Retirement Obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located under the site of the central office building upon its disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated due to there being no records on the site.

18. COMMITMENTS

Building Projects

The School Division is committed to further capital expenditures for the modernization and addition of C P Blakely School of \$2,737,472 (2008 – \$213,793), for the construction of the new Carstairs Elementary School of approximately \$3,493,140 (2008 – \$9,542,254), and for the mechanical upgrade of Cremona School of \$517,860 (2008 – nil). In addition, the School Division, in a joint venture with Olds College, is committed to further capital expenditures for the construction of four facilities at Olds College of approximately \$5,655,650 (2008 – \$17,540,010). These costs will be fully funded by the capital allocations from Alberta Education, Alberta Advanced Education, Chinook's Edge, Olds College, Mountain View County, and the Town of Olds.

Premise Lease

The Division has entered into various premise lease agreements with estimated annual payments as follows:

2010	\$344,476
2011	314,243
2012	327,461
2013	296,667

19. CONTINGENCIES

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

The School Division is subject to a number of small insurance claims, the outcome of which is not determinable as at the date of reporting. As these claims are covered by insurance, no provision has been made in the financial statements for any costs associated with them.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

20. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school divisions 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. The Chinook's Edge School Division No. 73 had related party transactions for the year ended August 31, 2009 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amounts of consideration agreed upon between the related parties.

2008-2009	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
Government of Alberta:				
Education	\$ 1,892,289	\$0	\$ 96,872,636	\$ 0
Infrastructure & Transportation	1,366	0	0	0
Finance	123,454	124,512	323,373	0
Health & Wellness	0	5,028	0	92,459
Human Resources/Employment	0	0		0
Other Gov't of Alberta departments	73,932	0	243,017	0
Other:				
Health authorities	0	0	0	0
Post-secondary institutions	5,251,677	478,114	0	518,465
Other Alberta school jurisdictions	13,460	56,531	43,302	209,378
Other related parties	0	125,978	404,101	70
TOTAL 2008-2009	\$7,356,178	\$790,163	\$97,886,429	\$820,372
TOTAL 2007-2008	\$14,856,213	\$810,356	\$92,006,593	\$1,389,347

21. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Chinook's Edge School Division No. 73's primary source of income is from the Alberta Government. The School Division's ability to continue viable operations is dependent on this funding.

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

22. TARGETED FUNDING FOR PROVINCIAL INITIATIVES EXPENSES

TARGETED FUNDING FOR PROVINCIAL INITIATIVES	Certificated Remuneration	Non-Certificated Remuneration	Supplies & Services	Other Expenses
Alberta Initiative for School Improvement	\$1,090,278	\$0	\$610,365	\$0
Children and Youth with Complex Needs	\$0	\$32,000	\$0	\$0
Small Class Size Initiative	\$4,346,251	\$0	\$0	\$0
Student Health Initiative	\$28,000	\$243,483	\$75,800	\$0
SuperNet Service	\$0	\$0	\$211,470	\$0

23. DEFINED BENEFIT PENSION PLAN

The expense and obligations relating to the defined benefit pension plan are determined in accordance with Canadian GAAP and actuarial principles. Obligations are based on the projected benefits method of valuation that includes employee service to date and present pay levels, as well as a projection of salaries and service to retirement.

Accrued benefit plan obligation

	<u>2009</u>	<u>2008</u>
Accrued benefit plan obligation, beginning of year	111,700	86,000
Accrual for services	20,400	19,000
Interest cost	8,300	6,000
Actuarial loss on accrued benefit plan obligation	<u>(21,000)</u>	<u>700</u>
Accrued benefit plan obligation, end of year	<u>\$119,400</u>	<u>\$111,700</u>

Accrued benefit liability

	<u>2009</u>	<u>2008</u>
Accrued benefit plan obligation	119,400	111,700
Balance of unamortized amounts	<u>(8,000)</u>	<u>16,500</u>
Accrued benefit liability	<u>\$127,400</u>	<u>\$95,200</u>

Elements of defined benefit costs recognized in the year

	<u>2009</u>	<u>2008</u>
Current service cost	20,400	19,000
Interest cost	<u>8,300</u>	<u>6,000</u>
Defined benefit costs recognized	<u>\$28,700</u>	<u>\$25,000</u>

Significant assumption

	<u>2009</u>	<u>2008</u>
Accrued benefit obligation discount	6.25%	5.75%

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

24. FINANCIAL INSTRUMENTS

Fair value disclosure

The carrying amount of cash and temporary investments, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the short-term maturities of these items.

The fair value of the School Division's long-term financial instruments is estimated using discounted cash flow analysis based on current market rates for such instruments with similar terms and risks. Based on these assumptions, the fair values as at August 31, 2009 of these long-term financial instruments are as follows:

	Carrying Amount		Fair Value	
	2009	2008	2009	2008
Long-term debt	\$3,044,671	\$4,405,168	\$2,197,756	\$3,870,387

Interest rate risk

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 normal operating and financing activities. The School Division is exposed to interest rate risk primarily through its long term debt.

25. SUPPLEMENTAL CASH FLOW INFORMATION

	<u>2009</u>	<u>2008</u>
Interest paid	\$339,674	\$433,990
Included in investing activities (other) is the following:		
Demolition old Didsbury High School	-	(\$281,125)
Increase in temporary investments	(\$6,029,724)	-

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

26. REMUNERATION AND MONETARY INCENTIVES

The Chinook's Edge School Division No. 73 had 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:

Board Members:	FTE	Remuneration	Benefits	Allowances	Expenses
Chair, Taylor, Ian	1.00	17,995	4,146	648	13,326
Vice Chair, Wagstaff, Doug	1.00	13,345	659	384	8,821
Archibald, Penny	1.00	12,330	1,728	132	11,172
Butler, Colleen	1.00	19,865	2,718	936	16,085
Cooper, Sherry	1.00	18,300	4,643	169	11,412
Fisher, Ron	1.00	17,365	3,556	924	14,491
Huelsman. Connie	1.00	9,770	4,232	108	7,375
MacFarquhar, Bill	1.00	17,893	4,326	840	12,781
Swainson, Jackie	1.00	13,740	4,428	360	9,172
Subtotal	9.00	140,603	\$ 30,436	\$ 4,501	\$104,635
Superintendent Gibbons, James	1.00	185,306	29,283	0	23,147
Corporate Secretary Moltzan, Bruce	1.00	123,643	29,241	0	14,086
Corporate Treasurer Roy, Susan	1.00	114,480	26,194	0	5,404
Certificated Teachers	592.2	49,326,790	5,272,447		
Non-certificated – Other	545.54	19,273,393	3,699,524		
TOTALS	1149.74	\$69,164,215	\$9,087,125	\$4,501	\$147,272

27. BUDGET AMOUNTS

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

CHINOOK'S EDGE SCHOOL DIVISION NO. 73
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2009

28. COMPARATIVE FIGURES

The Budget 2009 and Actual 2008 comparative figures have been reclassified where necessary to conform to Actual 2009 presentation.

29. SUBSEQUENT EVENTS

On May 21, 2008, Chinook's Edge School Division No. 73 entered into an agreement to sell land in Red Deer, Alberta for \$640,000. This agreement has certain conditions, that if met, will result in a closing date of May 1, 2010. The sale will result in a gain on disposal of \$630,000.

On August 20, 2008, Chinook's Edge School Division No. 73 entered into an agreement to sell land in Didsbury, Alberta for \$800,000. This agreement has certain conditions, that if met, will result in a closing date of June 1, 2010. The sale will result in a gain on disposal of \$740,415.

On August 27, 2009, Alberta Education announced that fiscal corrections will be required from Alberta School Divisions in the 2009 – 2010 school year. The effect on Chinook's Edge School Division No. 73 will be a reduction to the Operating Revenue in the amount of \$345,241.

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

The Chinook's Edge School Division No. 73

Legal Name of School Jurisdiction

4904-50 Street, Innisfail, AB, T4G 1W4

Mailing Address

Phone (403) 227-7070 Fax (403) 227-7244

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

Susan Roy, MBA, CSBO, CGA
Name

"ORIGINAL SIGNED"
Signature

November 26, 2009

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: 53

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	\$3,531,804	\$70,801,653	\$12,077,884	\$6,110,234	\$3,759,313	\$314,641	\$96,695,529
(2) Other - Government of Alberta	\$0	\$243,017	\$323,373	\$0	\$0	\$376,834	\$943,224
(3) Federal Government and First Nations	\$11,000	\$100,035	\$0	\$0	\$0	\$66,230	\$177,265
(4) Other Alberta school authorities	\$0	\$43,302	\$0	\$0	\$0	\$0	\$43,302
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$404,102	\$0	\$0	\$0	\$227,706	\$631,808
(7) Instruction resource fees	\$608	\$1,055,256					\$1,055,864
(8) Transportation fees-ECS			\$89,843				\$89,843
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$4,826	\$316,471	\$20,603	\$153,979	\$13,370	\$0	\$509,249
(11) Investment income	\$0	\$4,000	\$48,877	\$0	\$105,000	\$0	\$157,877
(12) Gifts and donations	\$0	\$115,439	\$0	\$0	\$0	\$0	\$115,439
(13) Rental of facilities	\$0	\$36,734	\$138,056	\$0	\$0	\$0	\$174,790
(14) Net school generated funds	\$0	\$1,915,265	\$0	\$0	\$0	\$0	\$1,915,265
(15) Gains on disposal of capital assets	\$0	\$0	\$175,471	\$29,538	\$0	\$0	\$205,009
(16) Amortization of capital allocations	\$0	\$73,897	\$3,058,543	\$9,916	\$0	\$0	\$3,142,356
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$3,548,238	\$75,109,171	\$15,842,807	\$6,393,510	\$3,877,683	\$985,411	\$105,756,820
EXPENSES							
(19) Certificated salaries	\$1,934,053	\$46,917,962			\$660,080	\$0	\$49,512,095
(20) Certificated benefits	\$221,030	\$4,989,796			\$90,904	\$0	\$5,301,730
(21) Non-certificated salaries and wages	\$881,002	\$9,910,867	\$4,473,825	\$2,037,661	\$1,503,166	\$850,099	\$19,656,620
(22) Non-certificated benefits	\$134,794	\$1,983,081	\$903,074	\$288,920	\$323,837	\$151,688	\$3,785,394
(23) SUB - TOTAL	\$3,170,879	\$63,801,706	\$5,376,899	\$2,326,581	\$2,577,987	\$1,001,787	\$78,255,839
(24) Services, contracts and supplies	\$506,780	\$6,481,820	\$4,861,692	\$3,487,928	\$986,538	\$202,090	\$16,526,848
(25) Net school generated funds	\$0	\$1,915,265					\$1,915,265
(26) Amortization of capital assets	\$6,994	\$1,596,352	\$3,455,764	\$708,791	\$111,631	\$0	\$5,879,532
(27) Interest and charges	\$0	\$16,301	\$323,373	\$0	\$778	\$0	\$340,452
(28) Losses on disposal of capital assets	\$0	\$0	\$1,473	\$27,501	\$0	\$0	\$28,974
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$3,684,653	\$73,811,444	\$14,019,201	\$6,550,801	\$3,676,934	\$1,203,877	\$102,946,910
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$136,415)	\$1,297,727	\$1,823,606	(\$157,291)	\$200,749	(\$218,466)	\$2,809,910

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

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$1,151,310
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,694,142	\$1,326,599	\$367,543
Student fees (Non-Instructional) (Note 1)	\$1,293,301	\$0	\$1,293,301
Donations and grants to schools	\$216,563	\$0	\$216,563
Other (describe):	\$55,955	\$0	\$55,955
Net Additions to SGF	\$3,259,961	\$1,326,599	\$1,933,362
Net SGF Available			\$3,084,672
Uses of Net School Generated Funds:			
Extra-curricular activities			\$1,496,600
Field Trips			\$375,881
Other (describe):			\$42,785
Total Uses of Net SGF (Note 2)			\$1,915,266
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$1,169,406

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	\$3,052,484	\$1,069,301	\$0	\$61,207	\$290,833		\$4,473,825		\$4,473,825
Uncertificated benefits	\$637,119	\$211,493	\$0	\$10,320	\$44,142		\$903,074		\$903,074
Sub-total Remuneration	\$3,689,603	\$1,280,794	\$0	\$71,527	\$334,975		\$5,376,899		\$5,376,899
Supplies and services	\$424,932	\$1,282,385	\$20,861	\$942,410	\$96,766		\$2,767,354		\$2,767,354
Electricity			\$1,001,201				\$1,001,201		\$1,001,201
Natural Gas/Heating Fuel			\$690,024				\$690,024		\$690,024
Sewer and Water			\$207,996				\$207,996		\$207,996
Telecommunications			\$43,915				\$43,915		\$43,915
Insurance					\$151,202		\$151,202		\$151,202
Amortization of capital assets									
Supported								\$3,142,356	\$3,142,356
Unsupported						\$313,408	\$313,408		\$313,408
Total Amortization						\$313,408	\$313,408	\$3,142,356	\$3,455,764
Interest on capital debt									
Supported								\$0	\$0
Unsupported						\$323,373	\$323,373		\$323,373
Other interest charges				\$0		\$0	\$0		\$0
Losses on disposal of capital assets						\$1,473	\$1,473		\$1,473
TOTAL EXPENSES	\$4,114,535	\$2,563,179	\$1,963,997	\$1,013,937	\$582,943	\$638,254	\$10,876,845	\$3,142,356	\$14,019,201
SQUARE METRES									
School Buildings									0.0
Non School Buildings									0.0

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.