

**AUDITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**Battle River Regional Division #31**

Legal Name of School Jurisdiction

**5402 48A Ave, Camrose AB T4V 0L3**

Mailing Address

**Telephone 780-672-6131 Fax 780-672-6137**

Telephone and Fax Numbers

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

The financial statements of Battle River Regional Division #31 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Cheryl Smith

Name

"ORIGINAL SIGNED"

Signature

**SUPERINTENDENT**

Dr. Larry Payne

Name

"ORIGINAL SIGNED"

Signature

**SECRETARY TREASURER OR TREASURER**

Imogene Walsh, CGA

Name

"ORIGINAL SIGNED"

Signature

25-Nov-10

Board-approved Release Date

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\* Brian W. Harberg, CA  
\* D. Wayne Nikiforuk, CA  
\* Greg J. Wood, CA

\* Denotes Professional Corporation

## AUDITORS' REPORT

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

We have audited the statement of financial position of Battle River Regional Division No. 31 as at August 31, 2010 and the statements of revenues and expenditures, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2010 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

*Harberg Nikiforuk Wood, LLP*

Camrose, Alberta  
November 25, 2010

Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2010

(in dollars)

		2010	2009 (Note)
<b>ASSETS</b>			
Current assets			
Cash and temporary investments	(Note 3)	\$7,743,159	\$16,033,542
Accounts receivable (net after allowances)	(Note 4)	\$2,018,660	\$1,504,776
Prepaid expenses	(Note 2g)	\$346,840	\$469,129
Other current assets		\$726,485	\$807,343
<b>Total current assets</b>		\$10,835,144	\$18,814,790
School generated assets		\$828,168	\$912,596
Trust assets		\$998,936	\$1,026,780
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets	(Note 5)		
Land		\$1,166,481	\$1,166,481
Construction in Progress		\$201,431	\$6,449,642
Buildings		\$82,459,499	
Less: accumulated amortization		(\$46,210,600)	\$27,958,595
Equipment		\$6,468,672	
Less: accumulated amortization		(\$4,475,629)	\$2,173,540
Vehicles		\$9,863,099	
Less: accumulated amortization		(\$6,793,976)	\$3,755,417
<b>Total capital assets</b>		\$42,678,977	\$41,503,675
<b>TOTAL ASSETS</b>		\$55,341,225	\$62,257,841
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	(Note 6)	\$0	\$0
Accounts payable and accrued liabilities	(Note 7)	\$4,032,674	\$4,638,652
Deferred revenue	(Note 8)	\$2,956,159	\$5,133,085
Deferred capital allocations	(Note 12)	\$126,031	\$2,660,791
Current portion of long term debt		\$725,787	\$794,071
<b>Total current liabilities</b>		\$7,840,651	\$13,226,599
School generated liabilities		\$828,168	\$912,596
Trust liabilities	(Note 9)	\$998,936	\$1,026,780
Employee future benefit liabilities		\$0	\$0
Long term debt	(Note 10)		
Supported: Debentures and other supported debt		\$4,134,250	\$4,928,321
Less: Current portion		(\$725,787)	(\$794,071)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 13)	\$23,270,240	\$20,238,575
<b>Total long term liabilities</b>		\$28,505,807	\$26,312,201
<b>TOTAL LIABILITIES</b>		\$36,346,458	\$39,538,800
<b>NET ASSETS</b>			
Unrestricted net assets		\$0	\$282,587
Operating Reserves		\$3,637,109	\$6,006,739
Accumulated Operating Surplus (Deficit)		\$3,637,109	\$6,289,326
Investment in capital assets		\$15,274,486	\$16,336,778
Capital Reserves		\$83,172	\$92,937
Total Capital Funds		\$15,357,658	\$16,429,715
<b>Total net assets</b>		\$18,994,767	\$22,719,041
<b>TOTAL LIABILITIES AND NET ASSETS</b>		\$55,341,225	\$62,257,841

**Note:** Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF REVENUES AND EXPENSES**  
**for the Year Ended August 31, 2010**  
(in dollars)

	Actual 2010	Budget 2010 (Note 20) Restated	Actual 2009 (Note 20) Restated
<b>REVENUES</b>			
Government of Alberta	\$70,670,534	\$70,156,539	\$67,884,602
Federal Government and First Nations	\$44,788	\$26,908	\$37,907
Other Alberta school authorities	\$1,475	\$0	\$11,446
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$568,113	\$602,481	\$602,802
Transportation fees	\$33,654	\$44,675	\$30,434
Other sales and services	\$1,555,304	\$435,900	\$1,610,895
Investment income	\$66,628	\$180,000	\$203,771
Gifts and donations	\$94,912	\$39,616	\$63,165
Rental of facilities	\$24,498	\$5,388	\$16,612
Gross school generated funds	\$2,397,266	\$2,300,000	\$2,368,276
Gains on disposal of capital assets	\$37,930	\$0	\$39,521
Amortization of capital allocations	\$1,594,716	\$1,587,247	\$1,587,247
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$77,089,818</b>	<b>\$75,378,754</b>	<b>\$74,456,678</b>
<b>EXPENSES</b>			
Certificated salaries (Note 18)	\$36,886,932	\$34,885,526	\$35,054,829
Certificated benefits (Note 18)	\$4,344,292	\$3,748,697	\$3,736,002
Non-certificated salaries and wages (Note 18)	\$14,849,596	\$13,693,305	\$14,130,553
Non-certificated benefits (Note 18)	\$3,607,617	\$4,058,949	\$3,203,080
Services, contracts and supplies	\$14,787,509	\$15,501,118	\$14,710,721
Gross school generated funds	\$2,397,266	\$2,300,000	\$2,368,276
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,594,716	\$1,587,247	\$1,587,247
Unsupported	\$1,905,742	\$1,861,814	\$1,861,814
Total Amortization of capital assets	\$3,500,458	\$3,449,061	\$3,449,061
Interest on capital debt			
Supported	\$439,014	\$485,363	\$511,489
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$439,014	\$485,363	\$511,489
Other interest and charges	\$148	\$0	\$126
Losses on disposal of capital assets	\$1,260	\$0	\$11,340
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$80,814,092</b>	<b>\$78,122,019</b>	<b>\$77,175,477</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$3,724,274)	(\$2,743,265)	(\$2,718,799)
Extraordinary Item	\$0	\$0	(\$919,784)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$3,724,274)</b>	<b>(\$2,743,265)</b>	<b>(\$3,638,583)</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

**STATEMENT OF CASH FLOWS**  
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	(\$3,724,274)	(\$3,638,583)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,594,716)	(\$1,587,247)
Total amortization expense	\$3,500,458	\$3,449,061
Gains on disposal of capital assets	(\$37,930)	(\$39,521)
Losses on disposal of capital assets	\$1,260	\$11,340
Changes in:		
Accounts receivable	(\$513,884)	(\$331,204)
Prepays and other current assets	\$203,147	(\$38,616)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$605,978)	\$1,474,088
Deferred revenue	(\$2,176,926)	\$1,299,620
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>(\$4,948,843)</b>	<b>\$598,938</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	(\$14,757)
Buildings	(\$4,298,668)	(\$6,333,069)
Equipment	(\$281,473)	(\$408,449)
Vehicles	(\$111,033)	(\$1,310,484)
Net proceeds from disposal of capital assets	\$50,088	\$86,570
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$4,641,086)</b>	<b>(\$7,980,189)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$1,289,396	\$8,516,246
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$794,071)	(\$840,938)
Add back: supported portion	\$794,071	\$840,938
Other (describe)      Donated asset support	\$10,150	\$0
<b>Total cash flows from financing activities</b>	<b>\$1,299,546</b>	<b>\$8,516,246</b>
<b>Net cash flows from during the year</b>	<b>(\$8,290,383)</b>	<b>\$1,134,995</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$16,033,542</b>	<b>\$14,898,547</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$7,743,159</b>	<b>\$16,033,542</b>

**Note:** Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS  
for the Year Ended August 31, 2010**

School Jurisdiction Code: 2285

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	INTERNALLY RESTRICTED NET ASSETS														
	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	
<b>Balance at August 31, 2009</b>	\$22,719,041	\$16,336,778	\$282,587	\$6,006,739	\$92,937	\$6,750	\$1,371,104	\$6,467	\$380,376	\$0	\$713,058	\$79,720	\$10,817	\$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	
<b>Adjusted Balance, Aug. 31, 2009</b>	\$22,719,041	\$16,336,778	\$282,587	\$6,006,739	\$92,937	\$6,750	\$1,371,104	\$6,467	\$380,376	\$0	\$713,058	\$79,720	\$10,817	\$0	
Excess (deficiency) of revenues over expenses	(\$3,724,274)		(\$3,724,274)												
Board funded capital additions		\$856,868	(\$570,088)	(\$226,927)	(\$59,953)	(\$6,750)	(\$137,798)	(\$6,367)	\$0	\$0	\$0	(\$46,736)	\$0	\$0	
Disposal of unsupported capital assets	\$0	(\$13,418)	(\$36,670)		\$50,088	\$3,075		\$0		\$0		\$47,013		\$0	
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$3,500,458)	\$3,500,458												
Amortization of capital allocations		\$1,594,716	(\$1,594,716)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$135,933)	\$135,933		\$0	\$135,933		\$0		\$0		\$0		
Net transfers from operating reserves			\$2,278,636	(\$2,278,636)		(\$1,943,791)	\$0		(\$131,662)		(\$192,366)		(\$10,817)		
Net transfers to capital reserves			\$0		\$0					\$0				\$0	
Net transfers from capital reserves			\$0		\$0					\$0				\$0	
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Balance at August 31, 2010</b>	\$18,994,767	\$15,274,486	\$0	\$3,637,109	\$83,172	\$3,075	\$1,369,239	\$100	\$248,714	\$0	\$520,692	\$79,997	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS**  
**(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**  
for the Year Ended August 31, 2010  
(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2009</b>	\$2,660,791	\$20,238,575
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$2,660,791	\$20,238,575
<b>Add:</b>		
<b>Restricted capital allocations from:</b>		
Alberta Education including school and modular projects	\$1,219,052	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$3,176	
<b>Other capital grants and donations</b>	\$67,168	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$10,150
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$794,071
<b>Expended capital allocations - current year</b>	(\$3,824,156)	\$3,824,156
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$1,996
<b>Capital allocations amortized to revenue</b>		\$1,594,716
<b>Balance at August 31, 2010</b>	<b>\$126,031</b>	<b>\$23,270,240</b>

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

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

**1. AUTHORITY AND PURPOSE**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year in 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) Capital Assets

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

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

In the year of acquisition, no amortization is recorded. In year of disposal, a full year of amortization is calculated.

Capital assets with costs in excess of \$5000 are capitalized. Capital assets allocations received for asset additions are amortized into revenue over the same period as the amortized expense.

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

c) School Generated Funds

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

d) Vacation Pay

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

e) Pensions

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

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Battle River Regional School Division No. 31 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 \$944,720 for the year ended August 31, 2010 (2009 - \$745,287). As at December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008, a deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

f) Inventories

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

g) Prepaid Expenses

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

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 statement.

i) Financial Instruments

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

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

j) 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.

k) Employee Future Benefits

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

**3. CASH AND TEMPORARY INVESTMENTS**

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	P-1.8%	7,743,159	7,743,159	P-1.8%	16,033,542	16,033,542

**4. ACCOUNTS RECEIVABLE**

	2010	2009
Alberta Education	\$ 1,197,908	\$ 533,052
Alberta Finance	239,785	286,134
Other Province of Alberta	127,163	99,609
Federal Government	123,266	173,587
Other	330,538	412,394
<b>Total</b>	<b>\$ 2,018,660</b>	<b>\$ 1,504,776</b>

**Battle River Regional Division No. 31**

**Notes to the Financial Statements**

**For the Year Ended August 31, 2010**

**5. TANGIBLE CAPITAL ASSETS**

	Land	Construction In Progress- New Building	Buildings	Equipment Computer Hardware &Software	Other Equipment	Vehicles	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful Life			10-40 years	3-5 years	5-10 years	5-10 years		
<b>Historical Cost</b>								
September 1	1,166,481	6,449,642	71,912,620	2,359,139	3,980,766	10,305,898	96,174,546	88,644,010
Additions		4,142,375	156,293	164,983	116,490	111,033	4,691,174	8,066,758
Transfer in (out)		(10,390,586)	10,390,586					
Less disposals including write-offs					(152,706)	(553,832)	(706,538)	(536,222)
August 31	1,166,481	201,431	82,459,499	2,524,122	3,944,550	9,863,099	100,159,182	96,174,546
<b>Accumulated amortization</b>								
September 1			43,954,025	1,810,388	2,355,977	6,550,481	54,670,871	51,699,644
Amortization expense			2,256,575	183,555	274,080	786,248	3,500,458	3,449,061
Transfer in (out)								
Effect of disposals					(148,371)	(542,753)	(691,124)	(477,834)
August 31			46,210,600	1,993,943	2,481,686	6,793,976	57,480,205	54,670,871
<b>Net Book Value at August. 31, 2010</b>	<b>1,166,481</b>	<b>201,431</b>	<b>36,248,899</b>	<b>530,179</b>	<b>1,462,864</b>	<b>3,069,123</b>	<b>42,678,977</b>	<b>41,503,675</b>

**6. BANK INDEBTEDNESS**

The Jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2010	2009
Alberta Education	\$ 98,452	\$ 270,855
Alberta Finance	239,785	286,134
Other Province of Alberta	21,610	23,450
Federal Government	787,544	772,870
Other Trade Payable and Accrued Liabilities	2,885,283	3,275,748
Other School Jurisdictions		9,595
<b>Total</b>	<b>\$ 4,032,674</b>	<b>\$ 4,638,652</b>

## Battle River Regional Division No. 31

### Notes to the Financial Statements

For the Year Ended August 31, 2010

#### 8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE As at Aug. 31, 2009	ADD: 2009/2010 Restricted Funds Received/Receivable	DEDUCT 2009/2010 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2009/2010 Adjustments Or Returned Funds	DEFERRED REVENUE As at Aug.31, 2010
<b>Alberta Education Restricted Operational Funding:</b>					
Alberta Initiative for School Improvement	-	931,262	877,132	-	54,130
Infrastructure Maintenance Renewal	3,281,279	1,384,594	2,388,807	-	2,277,066
Other Alberta Education deferred revenue	1,459,272	471,071	1,494,575	-	435,768
<b>Other Government of Alberta Restricted Funding:</b>					
Employment, Industry and Immigration	20,000	-	2,112	(17,888)	-
Child and Family Services	3,563	42,756	42,756	-	3,563
Community Incentive Program	5,401	-	4,776	(625)	-
Rural Alberta Development Fund	77,720	-	23,132	(54,588)	-
Health Services	100,000	-	37,633	-	62,367
<b>Other Deferred Revenue:</b>					
Skills Canada	109,427	-	53,644	-	55,783
Transportation Fees	14,000	33,771	33,654	-	14,117
Instructional Resource Fees	2,400	565,713	568,113	-	-
Other sales and services	60,023	361,795	368,453	-	53,365
<b>Total</b>	<b>5,133,085</b>	<b>3,790,962</b>	<b>5,894,787</b>	<b>(73,101)</b>	<b>2,956,159</b>

#### 9. TRUST LIABILITIES

	2010	2009
Trust funds for scholarships	\$ 997,820	\$ 1,025,884
Student travel	276	297
Early childhood services	840	599
<b>Total</b>	<b>\$ 998,936</b>	<b>\$ 1,026,780</b>

#### 10. LONG TERM DEBT

##### a) Debenture Debt - Supported

The debenture debt bears interest at rates varying between 8.125% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2010-2011	\$ 725,787	\$ 404,223	\$ 1,130,010
2011-2012	664,065	331,243	995,308
2012-2013	590,294	264,950	855,244
2013-2014	577,171	206,088	783,259
2014-2015	535,851	148,645	684,496
2015 to maturity	1,041,082	207,859	1,248,942
<b>Total</b>	<b>\$ 4,134,250</b>	<b>\$ 1,563,008</b>	<b>\$ 5,697,259</b>

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

**11. 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. The reserves are established and expended in accordance with the terms and conditions established by the Board.

<b>Operating</b>	<b>Balance Beginning</b>	<b>Appropriated</b>	<b>Utilized</b>	<b>Balance Ending</b>
Instruction	\$ 1,270,380	\$ 799,409	\$ 1,930,463	\$ 139,326
School budgets	1,406,267	0	510,494	895,773
Special education	677,171	0	395,879	281,292
Computer services	177,566	11,250	6,743	182,073
Operations and maintenance	1,371,104	185,522	187,387	1,369,239
System administration	380,376	0	131,662	248,714
Transportation	713,058	4,500	196,866	520,692
External services	10,817	-	10,817	-
	<b>6,006,739</b>	<b>1,000,681</b>	<b>3,370,311</b>	<b>3,637,109</b>
<b>Capital</b>				
Land	6,467	0	6367	100
Equipment	86,470	50,088	53,486	83,072
	<b>92,937</b>	<b>50,088</b>	<b>59,853</b>	<b>83,172</b>
<b>Total</b>	<b>6,099,676</b>	<b>\$ 1,050,769</b>	<b>\$ 3,430,164</b>	<b>3,720,281</b>

**12. 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.

**13. 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.

**14. COMMITMENTS**

a) Building Projects

The Jurisdiction is committed to capital expenditures for new maintenance shop in Camrose of approximately \$850,000. These costs will be funded by the operation and maintenance reserve account.

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

b) Legal Disputes

As at August 31, 2010 the Jurisdiction is involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, it is believed by the Jurisdiction's management that there will be no adverse effect on the financial position of the Jurisdiction.

**15. CONTINGENCIES**

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

**16. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

2009-2010	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$1,197,908	\$2,931,345	\$69,419,270	\$482,960
Finance	239,785	239,785	439,014	439,014
Health & Wellness	69,863	21,610	324,432	-
Human Resources/Employment	57,300	-	280,105	-
Other Gov't of Alberta departments	-	-	207,713	42,371
<b>Other:</b>				
Health authorities	-	-	-	-
Post-secondary institutions	-	-	-	14,408
Other Alberta school jurisdictions	-	-	1,475	192,730
Other related parties	-	-	-	-
<b>TOTAL 2009-2010</b>	<b>\$1,564,856</b>	<b>\$3,192,740</b>	<b>\$70,672,009</b>	<b>\$1,171,483</b>
<b>TOTAL 2008-2009</b>	<b>\$996,158</b>	<b>\$5,627,675</b>	<b>\$66,976,264</b>	<b>\$1,932,905</b>

**17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY**

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

**Battle River Regional Division No. 31**  
**Notes to the Financial Statements**  
**For the Year Ended August 31, 2010**

**18. NUMBERATION AND MONETARY INCENTIVES**

The Battle River Regional Division No. 31 had paid or accrued expenses for the year ended August 31, 2010 to or on behalf of the following positions and persons in groups as follows:

<b>Board Members:</b>	<b>FTE</b>	<b>Remuneration</b>	<b>Benefits</b>	<b>Negotiated Allowances</b>	<b>Expenses</b>
Chair - Smith, Cheryl	1.0	\$34,960	\$5,412	\$0	\$14,415
Heiberg, Rebecca	1.0	\$21,949	\$4,855	\$0	\$5,250
Miller, Peter	1.0	\$28,159	\$4,161	\$0	\$13,103
Offord, Ken	1.0	\$21,393	\$4,318	\$0	\$8,273
Petruk, Victor	1.0	\$22,329	\$4,874	\$0	\$6,429
Severson, Kendall	1.0	\$21,665	\$2,386	\$0	\$4,471
Syed, Hameed	1.0	\$19,880	\$0	\$0	\$2,450
Zeniuk, Patricia	1.0	\$29,203	\$5,170	\$0	\$10,767
<b>Subtotal</b>	<b>8.0</b>	<b>\$199,538</b>	<b>\$31,176</b>	<b>\$0</b>	<b>\$65,158</b>
Superintendent - Payne, Larry	1.0	\$171,516	\$18,589	\$0	\$19,163
Board Secretary- Schulte, William	1.0	\$143,222	\$27,249	\$0	\$13,973
Board Treasurer - Walsh, Imogene	1.0	\$110,791	\$28,507	\$0	\$4,900
Certificated Teachers	417.39	\$36,715,416	\$4,325,703	\$0	
Non-certificated - Other	390.38	\$14,396,045	\$3,520,685	\$0	
<b>TOTALS</b>		<b>\$51,736,528</b>	<b>\$7,951,909</b>	<b>\$0</b>	

Note 1: The benefit costs for the Superintendent do not reflect the Alberta Teacher Retirement Fund (ATRF) contribution made by Alberta Education on behalf of the Battle River Regional Division #31.

Note 2: The benefit costs for the certificated teaching staff do not reflect the Alberta Teacher Retirement Fund contribution made by Alberta Education on behalf of the Battle River Regional Division #31.

Note 3: Expenses include the reimbursement of travel, subsistence, and other approved expenses on his/her behalf in performing the responsibilities of the named position.

**19. BUDGET AMOUNTS**

The budget was prepared by the Jurisdiction's management with the Board of Trustees approval given on November 9, 2009. It is presented for information purposes only and has not been audited.

**20. COMPARATIVE FIGURES**

The comparative figures have been reclassified where necessary to conform to the 2010 presentation.

**UNAUDITED SCHEDULES**  
**TO THE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2010**  
**[School Act, Section 276]**

**Battle River Regional Division #31**

Legal Name of School Jurisdiction

**5402 48A Ave, Camrose AB T4V 0L3**

Mailing Address

**Telephone 780-672-6131 Fax 780-672-6137**

Telephone and Fax Numbers

***Declaration of Secretary-Treasurer / Chief Financial Officer***

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

SECRETARY TREASURER OR TREASURER

**Imogene Walsh, CGA**  
Name

**"ORIGINAL SIGNED"**  
Signature

**25-Nov-10**

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](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 2285

**ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010**

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$2,476,704	\$49,721,226	\$8,855,145	\$5,354,937	\$2,598,501	\$412,757	\$69,419,270
(2) Other - Government of Alberta	\$0	\$366,246	\$446,814	\$0	\$0	\$438,204	\$1,251,264
(3) Federal Government and First Nations	\$0	\$44,788	\$0	\$0	\$0	\$0	\$44,788
(4) Other Alberta school authorities	\$0	\$1,475	\$0	\$0	\$0	\$0	\$1,475
(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	\$0	\$568,113					\$568,113
(8) Transportation fees-ECS				\$1,554			\$1,554
(9) Transportation fees-Grades 1-12				\$32,100			\$32,100
(10) Other sales and services	\$0	\$685,129	\$139,320	\$301,425	\$2,770	\$426,660	\$1,555,304
(11) Investment income	\$0	\$63,963	\$0	\$0	\$2,665	\$0	\$66,628
(12) Gifts and donations	\$0	\$93,037	\$0	\$0	\$0	\$1,875	\$94,912
(13) Rental of facilities	\$0	\$0	\$24,498	\$0	\$0	\$0	\$24,498
(14) Gross school generated funds	\$0	\$2,397,266	\$0	\$0	\$0	\$0	\$2,397,266
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$37,930	\$0	\$0	\$37,930
(16) Amortization of capital allocations	\$0	\$60,989	\$1,525,679	\$8,048		\$0	\$1,594,716
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$2,476,704	\$54,002,232	\$10,991,456	\$5,735,994	\$2,603,936	\$1,279,496	\$77,069,818
<b>EXPENSES</b>							
(19) Certificated salaries	\$1,137,751	\$35,206,998			\$542,183	\$0	\$36,886,932
(20) Certificated benefits	\$123,509	\$4,163,831			\$56,952	\$0	\$4,344,292
(21) Non-certificated salaries and wages	\$677,360	\$7,432,564	\$1,817,498	\$2,932,052	\$1,215,748	\$774,374	\$14,849,596
(22) Non-certificated benefits	\$148,398	\$2,083,431	\$408,345	\$516,759	\$276,258	\$174,426	\$3,607,617
(23) SUB - TOTAL	\$2,087,018	\$48,886,824	\$2,225,843	\$3,448,811	\$2,091,141	\$948,800	\$59,688,437
(24) Services, contracts and supplies	\$564,641	\$4,948,464	\$6,045,309	\$2,433,573	\$634,310	\$161,212	\$14,787,509
(25) Gross school generated funds	\$0	\$2,397,266					\$2,397,266
(26) Amortization of capital assets	\$0	\$350,665	\$2,386,569	\$720,249	\$42,975	\$0	\$3,500,458
(27) Interest and charges	\$0	\$0	\$439,014	\$0	\$148	\$0	\$439,162
(28) Losses on disposal of capital assets	\$0	\$1,260	\$0	\$0	\$0	\$0	\$1,260
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$2,651,659	\$56,584,479	\$11,096,735	\$6,602,633	\$2,768,574	\$1,110,012	\$80,814,092
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$174,955)	(\$2,582,247)	(\$105,279)	(\$866,639)	(\$164,638)	\$169,484	(\$3,724,274)

**SCHEDULE B  
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$912,596
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$1,741,409	\$902,100	\$839,309
Student fees (Non-Instructional) (Note 1)	\$442,389	\$0	\$442,389
Donations and grants to schools	\$128,588	\$0	\$128,588
Other (describe):	\$452	\$0	\$452
<b>Net Additions to SGF</b>	\$2,312,838	\$902,100	\$1,410,738
<b>Net SGF Available</b>			\$2,323,334
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$1,268,583
Field Trips			\$185,163
Other (describe): School Beautification, Equipment and Bank Charges			\$41,420
<b>Total Uses of Net SGF</b> (Note 2)			\$1,495,166
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$828,168

School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)

**Notes:**

- 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 CEU-related activities are recorded as instruction resource fees, not SGF.
- 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses.
- 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 - 2009-2010**

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	\$316,645	\$1,224,629	\$0	\$67,752	\$208,472		\$1,817,498		\$1,817,498
Uncertificated benefits	\$83,025	\$263,083	\$0	\$15,156	\$47,081		\$408,345		\$408,345
Sub-total Remuneration	\$399,670	\$1,487,712	\$0	\$82,908	\$255,553		\$2,225,843		\$2,225,843
Supplies and services	\$1,984,712	\$828,645	\$0	\$1,735,813	\$69,436		\$4,618,606		\$4,618,606
Electricity			\$594,834				\$594,834		\$594,834
Natural Gas/Heating Fuel			\$556,149				\$556,149		\$556,149
Sewer and Water			\$116,575				\$116,575		\$116,575
Telecommunications			\$21,031				\$21,031		\$21,031
Insurance					\$138,115		\$138,115		\$138,115
Amortization of capital assets									
Supported								\$1,525,679	\$1,525,679
Unsupported						\$860,889	\$860,889		\$860,889
Total Amortization						\$860,889	\$860,889	\$1,525,679	\$2,386,568
Interest on capital debt									
Supported								\$439,014	\$439,014
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$2,384,382	\$2,316,357	\$1,288,589	\$1,818,721	\$463,104	\$860,889	\$9,132,042	\$1,964,693	\$11,096,735
<b>SQUARE METRES</b>									
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.