

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

**LIVINGSTONE RANGE SCHOOL DIVISION No. 68**

Legal Name of School Jurisdiction

**P.O. Box 69, Claresholm, AB T0L 0T0**

Mailing Address

**403-625-3356 (phone)      403-625-2424 (fax)**

Telephone and Fax Numbers

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

The financial statements of LIVINGSTONE RANGE SCHOOL DIVISION No. 68 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**

**Dick Peterson**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Ellie Elliott**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Don Olsen**

Name

**"ORIGINAL SIGNED"**

Signature

**30-Nov-10**

Board-approved Release Date

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## AUDITORS' REPORT

To the Board of Trustees of the  
Livingstone Range School Division No. 68

We have audited the statement of financial position of the Livingstone Range School Division No. 68 as at August 31, 2010 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform 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, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta

November 4, 2010

*Young Parkyn McNab LLP*

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)	\$8,967,218	\$12,693,802
Accounts receivable (net after allowances)	(Note 4)	\$2,147,739	\$2,637,926
Prepaid expenses		\$44,778	\$62,871
Other current assets		\$109,807	\$197,384
<b>Total current assets</b>		\$11,269,542	\$15,591,983
School generated assets			
Trust assets		\$5	\$0
Long term accounts receivable		\$0	\$0
Long term investments	(Note 5)	\$2,428,154	\$2,522,017
Capital assets (Note 6)			
Land		\$1,158,361	\$1,158,361
Construction in Progress		\$0	\$0
Buildings	\$60,131,749		
Less: accumulated amortization	(\$31,787,414)	\$28,344,335	\$27,835,859
Equipment	\$784,615		
Less: accumulated amortization	(\$431,358)	\$353,257	\$369,487
Vehicles	\$5,170,788		
Less: accumulated amortization	(\$3,451,978)	\$1,718,810	\$1,754,330
<b>Total capital assets</b>		\$31,574,763	\$31,118,037
<b>TOTAL ASSETS</b>		\$46,865,676	\$50,890,589
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	(Note 7)	\$0	\$0
Accounts payable and accrued liabilities	(Note 8)	\$2,123,309	\$2,640,398
Deferred revenue	(Note 9)	\$3,084,346	\$3,393,056
Deferred capital allocations	(Note 10)	\$2,071,437	\$4,328,393
Current portion of long term debt		\$221,947	\$347,138
<b>Total current liabilities</b>		\$7,501,039	\$10,708,985
School generated liabilities			
Trust liabilities		\$5	\$0
Employee future benefit liabilities		\$0	\$0
Long term debt (Note 11)			
Supported: Debentures and other supported debt		\$799,245	\$1,146,383
Less: Current portion		(\$221,947)	(\$347,138)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities	(Note 12)	\$2,421,598	\$2,515,207
Unamortized capital allocations	(Note 13)	\$26,541,802	\$25,597,444
<b>Total long term liabilities</b>		\$31,133,915	\$30,570,448
<b>TOTAL LIABILITIES</b>		\$38,634,954	\$41,279,433
<b>NET ASSETS</b>			
Unrestricted net assets		\$1,269,916	\$1,825,343
Operating Reserves		\$2,727,090	\$3,411,602
Accumulated Operating Surplus (Deficit)		\$3,997,006	\$5,236,945
Investment in capital assets		\$4,233,716	\$4,374,211
Capital Reserves		\$0	\$0
Total Capital Funds		\$4,233,716	\$4,374,211
<b>Total net assets</b>		\$8,230,722	\$9,611,156
<b>TOTAL LIABILITIES AND NET ASSETS</b>		\$46,865,676	\$50,890,589

**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)	Actual 2009 (Note) (Restated)
<b>REVENUES</b>			
Government of Alberta	\$39,815,882	\$38,621,942	\$38,008,287
Federal Government and First Nations	\$2,753,987	\$2,732,045	\$2,917,163
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$159,507	\$145,734	\$167,986
Transportation fees	\$0	\$0	\$0
Other sales and services	\$1,432,201	\$1,408,331	\$1,177,681
Investment income	\$146,156	\$203,969	\$192,064
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$64,084	\$53,440	\$57,433
Gross school generated funds	\$1,335,586	\$1,000,000	\$1,398,079
Gains on disposal of capital assets	\$6,052	\$4,000	\$13,274
Amortization of capital allocations	\$1,670,913	\$1,600,000	\$1,633,402
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$47,384,368</b>	<b>\$45,769,461</b>	<b>\$45,565,369</b>
<b>EXPENSES</b>			
Certificated salaries (Note 18)	\$21,376,633	\$21,580,533	\$20,086,289
Certificated benefits (Note 18)	\$2,292,623	\$2,142,303	\$2,099,521
Non-certificated salaries and wages (Note 18)	\$8,864,209	\$8,786,513	\$8,482,484
Non-certificated benefits (Note 18)	\$1,833,498	\$1,826,321	\$1,680,038
Services, contracts and supplies	\$10,708,293	\$10,762,295	\$10,371,582
Gross school generated funds	\$1,335,586	\$1,000,000	\$1,398,079
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$1,670,913	\$1,600,000	\$1,633,403
Unsupported	\$544,774	\$522,365	\$527,878
<b>Total Amortization of capital assets</b>	<b>\$2,215,687</b>	<b>\$2,122,365</b>	<b>\$2,161,281</b>
Interest on capital debt			
Supported	\$113,593	\$113,593	\$149,101
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$113,593</b>	<b>\$113,593</b>	<b>\$149,101</b>
Other interest and charges	\$4,723	\$3,500	\$3,860
Losses on disposal of capital assets	\$19,957	\$0	\$7,594
<b>Other expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$48,764,802</b>	<b>\$48,337,423</b>	<b>\$46,439,829</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>			
	(\$1,380,434)	(\$2,567,962)	(\$874,460)
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$1,380,434)</b>	<b>(\$2,567,962)</b>	<b>(\$874,460)</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	(\$1,380,434)	(\$874,460)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,670,913)	(\$1,633,402)
Total amortization expense	\$2,215,687	\$2,161,281
Gains on disposal of capital assets	(\$6,052)	(\$13,274)
Losses on disposal of capital assets	\$19,957	\$7,594
Changes in:		
Accounts receivable	\$490,187	\$8,091,251
Prepays and other current assets	\$105,670	(\$67,429)
Long term accounts receivable	\$0	\$0
Long term investments	\$93,863	\$89,293
Accounts payable and accrued liabilities	(\$610,698)	\$1,068,999
Deferred revenue	(\$308,710)	\$521,233
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	(\$1,051,443)	\$9,351,086
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,268,132)	(\$6,234,576)
Equipment	(\$126,835)	(\$162,027)
Vehicles	(\$310,407)	(\$364,471)
Net proceeds from disposal of capital assets	\$19,056	\$37,759
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	(\$2,686,318)	(\$6,723,315)
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$11,177	\$424,137
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$347,138)	(\$352,197)
Add back: supported portion	\$347,138	\$352,198
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	\$11,177	\$424,138
<b>Net cash flows from during the year</b>	(\$3,726,584)	\$3,051,909
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	\$12,693,802	\$9,641,893
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	\$8,967,218	\$12,693,802

**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: 1135

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS						(14) Operating Reserves	(15) Capital Reserves
						(6) School & Instruction Related		(8) Operations & Maintenance		(10) Board & System Admin.			
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
<b>Balance at August 31, 2009</b>	\$9,611,156	\$4,374,211	\$1,825,343	\$3,411,602	\$0	\$2,273,602	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$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
<b>Adjusted Balance, Aug. 31, 2009</b>	\$9,611,156	\$4,374,211	\$1,825,343	\$3,411,602	\$0	\$2,273,602	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$0
Excess (deficiency) of revenues over expenses	(\$1,380,434)		(\$1,380,434)										
Board funded capital additions		\$437,243	(\$418,187)	\$0	(\$19,056)	\$0	(\$13,004)	\$0	(\$2,852)	\$0	\$0	\$0	(\$3,200)
Disposal of unsupported capital assets	\$0	(\$32,964)	\$13,908		\$19,056		\$13,004		\$2,852		\$0		\$3,200
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0										
Amortization of capital assets		(\$2,215,687)	\$2,215,687										
Amortization of capital allocations		\$1,670,913	(\$1,670,913)										
Debt principal repayments (unsupported)		\$0	\$0										
Net transfers to operating reserves			\$0	\$0		\$0		\$0		\$0		\$0	\$0
Net transfers from operating reserves			\$684,512	(\$684,512)		(\$684,512)		\$0		\$0		\$0	\$0
Net transfers to capital reserves			\$0				\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0				\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0
<b>Balance at August 31, 2010</b>	\$8,230,722	\$4,233,716	\$1,269,916	\$2,727,090	\$0	\$1,589,090	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$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>	\$4,328,393	\$25,597,444
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$4,328,393	\$25,597,444
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$0	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
<b>Interest earned on provincial government capital allocations</b>	\$11,177	
<b>Other capital grants and donations</b>	\$0	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$0
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$347,138
<b>Expended capital allocations - current year</b>	(\$2,268,133)	\$2,268,133
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$1,670,913
<b>Balance at August 31, 2010</b>	<b>\$2,071,437</b>	<b>\$26,541,802</b>

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

## 1. AUTHORITY AND PURPOSE

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

The jurisdiction receives instruction and support 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 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) 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 and Buses	10% to 20%
Equipment and Furnishings	10% to 20%

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

c) School Generated Funds

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

d) Vacation Pay

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

e) Pensions

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

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Livingstone Range School Division No. 68 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 \$440,781 (2009 - \$384,566) for the year ended August 31, 2010. 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. Cost is determined on the basis of the most recent invoice.

g) Prepaid Expenses

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

h) Contributed Services

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

i) Financial Instruments

Cash and temporary investments are classified as held-for-trading and are reported at estimated fair value.

Accounts receivable and the investment in the Southern Alberta Wind Project have been classified as loans and receivables and are reported at amortized cost using the effective interest method.

Accounts payable and accrued liabilities have been classified as other financial liabilities and are reported at amortized cost using the effective interest method.

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.

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.

**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**3. CASH AND TEMPORARY INVESTMENTS**

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	0.75%	<u>\$8,967,218</u>	<u>\$8,967,218</u>	0.25%	<u>\$12,693,802</u>	<u>\$12,693,802</u>

Please refer to Note 2 (i).

**4. ACCOUNTS RECEIVABLE**

	2010	2009
Alberta Education	\$ 1,193,610	\$ 1,619,689
Alberta Finance	0	0
Federal Government	701,430	597,728
Other Alberta School Jurisdictions	0	0
Other	40,142	95,904
GST receivable	212,557	324,605
Total	<u>\$ 2,147,739</u>	<u>\$ 2,637,926</u>

**5. LONG TERM INVESTMENTS**

The jurisdiction, along with two other school jurisdictions, has invested in the Southern Alberta Wind Farm project for a total project cost of \$6,400,000. The provincial government has contributed \$3,200,000 towards the project, with Livingstone Range School Division contributions totalling \$1,397,120. This investment will be repaid over 20 years including interest at 5%.

Principal repayments in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2010-2011	98,664	119,167	217,831
2011-2012	103,712	114,119	217,831
2012-2013	109,018	108,813	217,831
2013-2014	114,596	103,235	217,831
2014-2015	120,459	97,372	217,831
2015 to maturity	1,881,705	587,050	2,468,755
Total	<u>\$ 2,428,154</u>	<u>\$ 1,129,756</u>	<u>\$ 3,557,910</u>

Please refer to Note 2 (i).

**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED AUGUST 31, 2010

**6. TANGIBLE CAPITAL ASSETS**

	Land	Construction In Progress - New Building	Buildings 25-40 Years	Computer Hardware & Software 3-5 Years	Other Equipments 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2009
Estimated Useful life							
<b>Historical cost</b>							
September 1, 2009	\$1,158,361	\$0	\$57,863,616	\$0	\$868,896	\$5,051,160	\$58,482,910
Additions	-	-	2,268,133	-	126,835	310,407	2,705,375
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(211,116)	(190,779)	(301,951)
August 31, 2010	\$1,158,361	\$0	\$60,131,749	\$0	\$784,615	\$5,170,788	\$64,942,033
<b>Accumulated amortization</b>							
September 1, 2009	-	-	30,027,757	-	499,409	3,296,830	31,932,587
Amortization expense	-	-	1,759,657	-	110,104	345,927	2,161,281
Transfers in (out)	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	(178,155)	(190,779)	(269,872)
August 31, 2010	-	-	31,787,414	-	431,358	3,451,978	33,823,996
<b>Net Book Value at August 31, 2010</b>	<b>\$1,158,361</b>	<b>\$0</b>	<b>\$28,344,335</b>	<b>\$</b>	<b>\$353,257</b>	<b>\$1,718,810</b>	<b>\$31,118,037</b>

**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

**7. 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 is secured by a borrowing bylaw and a security agreement covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2010 (2009 - \$0).

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2010</b>	<b>2009</b>
Alberta Education	\$18,459	\$16,338
Alberta Finance	28,131	47,813
Federal Government	530,864	148,715
First Nations	0	0
Other Alberta School Jurisdictions	0	0
Other Trade Payables and Accrued Liabilities	1,545,855	2,427,532
<b>Total</b>	<b>\$ 2,123,309</b>	<b>\$ 2,640,398</b>

**9. DEFERRED REVENUE**

<b>SOURCE AND GRANT OR FUND TYPE</b>	<b>DEFERRED REVENUE as at Aug. 31, 2009</b>	<b>ADD: 2009/2010 Restricted Funds Received/ Receivable</b>	<b>DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)</b>	<b>ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds</b>	<b>DEFERRED REVENUE as at Aug. 31, 2010</b>
<b>Alberta Education Restricted Operational Funding:</b>					
Alberta Initiative for School Improvement	\$215,907	\$536,132	(\$447,063)	\$0	\$304,976
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$2,844,159	\$859,875	(\$1,176,698)	\$0	\$2,527,336
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
<b>Other Government of Alberta Restricted Funding:</b>	\$0	\$0	\$0	\$0	\$0
<b>Building Connections</b>	\$127,103	\$0	(\$127,103)	\$0	\$0
<b>Skills Canada</b>	\$182,509	\$0	(\$5,131)	\$0	\$177,378
<b>Bus passes</b>	\$16,010	\$0	(\$16,010)	\$0	\$0
<b>Bridges</b>	\$0	\$136,000	(\$65,027)	\$0	\$70,973
<b>Other Deferred Revenue:</b>	\$0	\$0	\$0	\$0	\$0
<b>Cardinal Bus Lines</b>	\$0	\$1,850	\$0	\$0	\$1,850
<b>LCC rent</b>	\$0	\$1,833	\$0	\$0	\$1,833
<b>Pincher Creek F.C.S.S.</b>	\$1,666	\$0	(\$1,666)	\$0	\$0
<b>Crowsnest Pass F.C.S.S.</b>	\$2,667	\$0	(\$2,667)	\$0	\$0
<b>Alberta Health Services</b>	\$1,185	\$0	(\$1,185)	\$0	\$0
<b>First Canada</b>	\$1,850	\$0	(\$1,850)	\$0	\$0
<b>Total</b>	<b>\$3,393,056</b>	<b>\$1,535,690</b>	<b>(\$1,844,400)</b>	<b>\$0</b>	<b>\$3,084,346</b>

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**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

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**10. 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.

**11. LONG TERM DEBT**Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.875 % and 13.750 %. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2010-2011	221,947	78,692	300,639
2011-2012	212,260	56,066	268,326
2012-2013	99,343	34,580	133,923
2013-2014	63,223	24,583	87,806
2014-2015	63,223	18,653	81,876
2015 to maturity	139,249	22,993	162,242
Total	\$ 799,245	\$ 235,567	\$ 1,034,812

**12. OTHER LONG TERM LIABILITIES**

	<b>2010</b>	<b>2009</b>
Southern Alberta Wind Farm project division portion	\$ 1,226,793	\$ 1,274,215
Southern Alberta Wind Farm project government portion	1,194,805	1,240,992
Total	\$ 2,421,598	\$ 2,515,207

The jurisdiction's investment in the Southern Alberta Wind Farm project was \$2,794,240 and consists of a government grant and a divisional contribution each in the amount of \$1,397,120. These amounts will be brought into income over a 20 year period based on a rate of return of 5% on the investment.

Deferred revenue will be brought into income in each of the next five fiscal years and beyond as follows:

	<b>Division</b>	<b>Government</b>	<b>Total</b>
2010-2011	49,849	48,549	98,398
2011-2012	52,399	51,033	103,432
2012-2013	55,080	53,644	108,724
2013-2014	57,898	56,388	114,286
2014-2015	60,860	59,273	120,133
2015 to maturity	950,707	925,918	1,876,625
Total	\$ 1,226,793	\$ 1,194,805	\$ 2,421,598

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**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010

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**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**

The School Division has signed a 20 year service agreement with Enmax to receive electricity at a flat rate, beginning January 1, 2007.

**15. SUPPLEMENTAL INTEGRATED PENSION PLAN**

The School Division is a member of the Supplemental Integrated Pension Plan. The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. For the 2009-2010 year, there were four employees who were eligible and participated in the plan.

**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. Livingstone Range School Division No. 68 had related party transactions for the year ended August 31, 2010 with the Government of Alberta recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at the amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$11,365	\$18,459	\$30,884,713	\$0
Infrastructure & Transportation	1,154,114	2,832,312	8,812,749	0
Finance	28,131	28,131	113,593	113,593
Health & Wellness	0	0	0	0
Human Resources/Employment	0	0	4,827	0
Other Gov't of Alberta departments	0	0	0	0
<b>Other:</b>				
Health authorities	0	0	0	0
Post-secondary institutions	0	0	0	0
Other Alberta school jurisdictions	0	0	0	0
Other related parties	0	0	0	0
<b>TOTAL 2009-2010</b>	<u>\$ 1,193,610</u>	<u>\$ 2,878,903</u>	<u>\$ 39,815,882</u>	<u>\$ 113,593</u>
<b>TOTAL 2008-2009</b>	<u>\$ 1,619,689</u>	<u>\$ 3,125,402</u>	<u>\$ 38,008,287</u>	<u>\$ 149,101</u>

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**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68****NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2010**

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

The Livingstone Range School Division No. 68's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**18. REMUNERATION AND MONETARY INCENTIVES**

Livingstone Range School Division No. 68 has 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>Performance Bonuses</b>	<b>ERIP's / Other</b>	<b>Expenses</b>
Chair: Peterson, Dick	1.0	\$15,352	\$4,536	\$0			\$11,214
Burdett, James	1.0	\$15,585	\$4,555	\$0			\$9,453
Decoux-Filipuzzi, Gini	1.0	\$14,174	\$4,519	\$0			\$8,091
Hall, Kelly	1.0	\$14,371	\$4,517	\$0			\$7,614
Murray, Ken	1.0	\$11,011	\$4,503	\$0			\$7,027
Ratcliffe, Martha	1.0	\$13,435	\$4,466	\$0			\$8,291
Thompson, Don	1.0	\$15,818	\$4,557	\$0			\$4,322
<b>Subtotal</b>	<b>7.0</b>	<b>\$99,746</b>	<b>\$31,653</b>	<b>\$0</b>			<b>\$56,012</b>
Superintendent	1.0	\$149,035	\$20,042	\$4,050	\$0	\$0	\$17,009
Secretary/Treasurer	1.0	\$130,167	\$33,915	\$3,600	\$0	\$0	\$8,233
Certificated Teachers	243.9	\$21,227,598	\$2,272,581	\$0	\$0	\$0	
Non-certificated - Other	249.9	\$8,634,296	\$1,767,930	\$0	\$0	\$0	
<b>TOTALS</b>	<b>502.8</b>	<b>\$30,240,842</b>	<b>\$4,126,121</b>	<b>\$7,650</b>	<b>\$0</b>	<b>\$0</b>	

**19. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on December 8, 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]

**LIVINGSTONE RANGE SCHOOL DIVISION No. 68**

Legal Name of School Jurisdiction

**P.O. Box 69, Claresholm, AB T0L 0T0**

Mailing Address

**403-625-3356 (phone)      403-625-2424 (fax)**

Telephone and Fax Numbers

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

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

SECRETARY TREASURER OR TREASURER

**Don Olsen**  
Name

**"DATED AND SIGNED ELECTRONICALLY"**  
Signature

**30-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: 1135

**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	\$970,856	\$28,734,249	\$5,525,714	\$2,919,890	\$1,546,753	\$0	\$39,697,462
(2) Other - Government of Alberta	\$0	\$0	\$118,420	\$0	\$0	\$0	\$118,420
(3) Federal Government and First Nations	\$21,838	\$2,442,910	\$166,822	\$0	\$122,417	\$0	\$2,753,987
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$0	\$159,507					\$159,507
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$1,147,960	\$118,589	\$163,849	\$1,803	\$0	\$1,432,201
(11) Investment income	\$0	\$17,094	\$126,118	\$1,069	\$1,875	\$0	\$146,156
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$16,217	\$22,200	\$25,667	\$0	\$64,084
(14) Gross school generated funds	\$0	\$1,335,586	\$0	\$0	\$0	\$0	\$1,335,586
(15) Gains on disposal of capital assets	\$0	\$0	\$2,852	\$3,200	\$0	\$0	\$6,052
(16) Amortization of capital allocations	\$0	\$0	\$1,670,913	\$0	\$0	\$0	\$1,670,913
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$992,694	\$33,837,306	\$7,745,645	\$3,110,208	\$1,698,515	\$0	\$47,384,368
<b>EXPENSES</b>							
(19) Certificated salaries	\$528,035	\$20,471,771			\$376,827	\$0	\$21,376,633
(20) Certificated benefits	\$58,660	\$2,177,995			\$55,968	\$0	\$2,292,623
(21) Non-certificated salaries and wages	\$275,544	\$6,047,728	\$1,051,801	\$978,168	\$510,968	\$0	\$8,864,209
(22) Non-certificated benefits	\$39,526	\$1,317,968	\$229,173	\$98,089	\$148,742	\$0	\$1,833,498
(23) SUB - TOTAL	\$901,765	\$30,015,462	\$1,280,974	\$1,076,257	\$1,092,505	\$0	\$34,366,963
(24) Services, contracts and supplies	\$49,172	\$4,024,891	\$4,157,235	\$1,885,062	\$591,933	\$0	\$10,708,293
(25) Gross school generated funds	\$0	\$1,335,586					\$1,335,586
(26) Amortization of capital assets	\$0	\$138,415	\$1,778,626	\$289,291	\$9,355	\$0	\$2,215,687
(27) Interest and charges	\$0	\$0	\$113,593	\$0	\$4,723	\$0	\$118,316
(28) Losses on disposal of capital assets	\$0	\$19,957	\$0	\$0	\$0	\$0	\$19,957
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$950,937	\$35,534,311	\$7,330,428	\$3,250,610	\$1,698,516	\$0	\$48,764,802
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$41,757	(\$1,697,005)	\$415,217	(\$140,402)	(\$1)	\$0	(\$1,380,434)

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

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$1,658,552
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$542,535	\$342,595	\$199,940
Student fees (Non-Instructional) (Note 1)	\$469,720	\$245,073	\$224,647
Donations and grants to schools	\$171,061	\$30,554	\$140,507
Other (describe):	\$86,930	\$135,478	(\$48,548)
<b>Net Additions to SGF</b>	\$1,270,246	\$753,700	\$516,546
<b>Net SGF Available</b>			\$2,175,098
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$400,465
Field Trips			\$140,551
Other (describe): School beautification, Equipment, Family Literacy			\$40,870
<b>Total Uses of Net SGF</b> (Note 2)			\$581,886
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$1,593,212
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school 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.)</p> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF.</li> <li>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 &amp; Expenses.</li> <li>3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position.</li> </ol>			

**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	\$562,231	\$324,667	\$0	\$0	\$164,903		\$1,051,801		\$1,051,801
Uncertificated benefits	\$118,464	\$74,377	\$0	\$0	\$36,332		\$229,173		\$229,173
Sub-total Remuneration	\$680,695	\$399,044	\$0	\$0	\$201,235		\$1,280,974		\$1,280,974
Supplies and services	\$788,547	\$1,071,014	\$0	\$1,176,698	\$16,146		\$3,052,405		\$3,052,405
Electricity			\$466,519				\$466,519		\$466,519
Natural Gas/Heating Fuel			\$429,047				\$429,047		\$429,047
Sewer and Water			\$105,813				\$105,813		\$105,813
Telecommunications			\$29,359				\$29,359		\$29,359
Insurance					\$74,092		\$74,092		\$74,092
Amortization of capital assets									
Supported								\$1,670,913	\$1,670,913
Unsupported						\$107,713	\$107,713		\$107,713
Total Amortization						\$107,713	\$107,713	\$1,670,913	\$1,778,626
Interest on capital debt									
Supported								\$113,593	\$113,593
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$1,469,242	\$1,470,058	\$1,030,738	\$1,176,698	\$291,473	\$107,713	\$5,545,922	\$1,784,506	\$7,330,428
<b>SQUARE METRES</b>									
School Buildings									69,805.0
Non School Buildings									1,290.0

**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.