

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

**Aurora School Ltd.**

Legal Name of School Jurisdiction

**12245 - 131 street, Edmonton AB T5L 1M8**

Mailing Address

**Phone: (780) 454-1855 Fax: (780) 454-8104**

Telephone and Fax Numbers

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

The financial statements of Aurora School Ltd.  
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**

**Don Wilson**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Stephen Simmons**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Holly Maccagno**

Name

**"ORIGINAL SIGNED"**

Signature

**22-Nov-10**

Board-approved Release Date

## TABLE OF CONTENTS

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

2900 Bell Tower

10104-103 Avenue

Edmonton, Alberta

T5J 0H8

Tel: 780.424.3000

Fax: 780.429.4817

[www.krpgroup.com](http://www.krpgroup.com)

An independent member firm  
of  DFK



## Auditors' Report

October 15, 2010  
Edmonton, Alberta

To the Members of Aurora School Ltd.

We have audited the statement of financial position of Aurora School Ltd. as at August 31, 2010 and the Statements of Operations, Changes in Net Assets and Cash Flow for the year then ended. These financial statements are the responsibility of the School'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 as at August 31, 2010 and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'Kingston Ross Pasnak LLP'. The signature is written in a cursive, flowing style.

**Kingston Ross Pasnak 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 x)	\$2,061,525	\$1,696,876
Accounts receivable (net after allowances)	(Note x)	\$15,108	\$18,752
Prepaid expenses	(Note x)	\$0	\$3,171
Other current assets	(Note x)	\$0	\$0
	<b>Total current assets</b>	<b>\$2,076,633</b>	<b>\$1,718,799</b>
School generated assets			
		\$0	\$0
Trust assets			
	(Note x)	\$0	\$0
Long term accounts receivable			
	(Note x)	\$0	\$0
Long term investments			
	(Note x)	\$0	\$0
Capital assets			
	(Note x)		
Land		\$0	\$0
Construction in Progress		\$0	\$0
Buildings	\$6,206,928		
Less: accumulated amortization	(\$2,043,908)	\$4,163,020	\$4,851,476
Equipment	\$78,129		
Less: accumulated amortization	(\$75,727)	\$2,402	\$8,843
Vehicles	\$0		
Less: accumulated amortization	\$0	\$0	\$0
	<b>Total capital assets</b>	<b>\$4,165,422</b>	<b>\$4,860,319</b>
	<b>TOTAL ASSETS</b>	<b>\$6,242,055</b>	<b>\$6,579,118</b>
<b>LIABILITIES</b>			
Current liabilities			
Bank indebtedness	(Note x)	\$0	\$0
Accounts payable and accrued liabilities	(Note x)	\$186,057	\$109,355
Deferred revenue	(Note x)	\$28,272	\$32,249
Deferred capital allocations	(Note x)	\$0	\$0
Current portion of long term debt		\$0	\$0
	<b>Total current liabilities</b>	<b>\$214,329</b>	<b>\$141,604</b>
School generated liabilities			
		\$0	\$0
Trust liabilities			
	(Note x)	\$0	\$0
Employee future benefit liabilities			
	(Note x)	\$0	\$0
Long term debt			
	(Note x)		
Supported: Debentures and other supported debt		\$0	\$0
Less: Current portion		\$0	\$0
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities	(Note x)	\$0	\$0
Unamortized capital allocations	(Note x)	\$2,185,240	\$2,549,446
	<b>Total long term liabilities</b>	<b>\$2,185,240</b>	<b>\$2,549,446</b>
	<b>TOTAL LIABILITIES</b>	<b>\$2,399,569</b>	<b>\$2,691,050</b>
<b>NET ASSETS</b>			
Unrestricted net assets		\$1,867,684	\$1,577,195
Operating Reserves		\$0	\$0
Accumulated Operating Surplus (Deficit)		\$1,867,684	\$1,577,195
Investment in capital assets		\$1,974,802	\$2,310,873
Capital Reserves		\$0	\$0
Total Capital Funds		\$1,974,802	\$2,310,873
	<b>Total net assets</b>	<b>\$3,842,486</b>	<b>\$3,888,068</b>
	<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$6,242,055</b>	<b>\$6,579,118</b>

**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)
<b>REVENUES</b>			
Government of Alberta	\$4,181,722	\$4,022,321	\$3,790,664
Federal Government and First Nations	\$0	\$0	\$0
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	\$37,572	\$34,200	\$32,180
Transportation fees	\$119,494	\$112,500	\$107,605
Other sales and services	\$0	\$0	\$0
Investment income	\$31,439	\$40,000	\$48,280
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$0	\$0	\$0
Gross school generated funds	\$64,169	\$20,000	\$56,201
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$364,206	\$364,200	\$364,206
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$4,798,602</b>	<b>\$4,593,221</b>	<b>\$4,399,136</b>
<b>EXPENSES</b>			
Certificated salaries (Note x)	\$2,382,570	\$2,295,000	\$2,128,314
Certificated benefits (Note x)	\$241,268	\$229,000	\$221,288
Non-certificated salaries and wages (Note x)	\$152,418	\$166,600	\$163,018
Non-certificated benefits (Note x)	\$18,290	\$17,000	\$26,896
Services, contracts and supplies	\$1,283,844	\$1,324,000	\$1,366,839
Gross school generated funds	\$64,169	\$20,000	\$56,201
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$364,206	\$364,200	\$364,206
Unsupported	\$336,071	\$334,700	\$337,546
Total Amortization of capital assets	\$700,277	\$698,900	\$701,752
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest and charges	\$1,348	\$3,000	\$1,514
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$4,844,184</b>	<b>\$4,753,500</b>	<b>\$4,665,822</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>(\$45,582)</b>	<b>(\$160,279)</b>	<b>(\$266,686)</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>(\$45,582)</b>	<b>(\$160,279)</b>	<b>(\$266,686)</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	(\$45,582)	(\$266,686)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$364,206)	(\$364,206)
Total amortization expense	\$700,277	\$701,752
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	\$3,644	\$622,666
Prepays and other current assets	\$3,171	(\$3,171)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$76,702	(\$777,715)
Deferred revenue	(\$3,977)	(\$162,441)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>\$370,029</b>	<b>(\$249,801)</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,380)	(\$288,516)
Equipment	\$0	(\$6,531)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$5,380)</b>	<b>(\$295,047)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$0</b>	<b>\$0</b>
<b>Net cash flows from during the year</b>	<b>\$364,649</b>	<b>(\$544,848)</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$1,696,876</b>	<b>\$2,241,724</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$2,061,525</b>	<b>\$1,696,876</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**

(in dollars)

School Jurisdiction Code: 6020

	(1)	(2)	(3)	(4)	(5)	(6) INTERNALLY RESTRICTED NET ASSETS						(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)			
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Admin.		Transportation		External Services									
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves								
<b>Balance at August 31, 2009</b>	\$3,888,068	\$2,310,873	\$1,577,195	\$0	\$0	\$0	\$0	\$0	\$0	\$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	
<b>Adjusted Balance, Aug. 31, 2009</b>	\$3,888,068	\$2,310,873	\$1,577,195	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Excess (deficiency) of revenues over expenses	(\$45,582)		(\$45,582)																				
Board funded capital additions		\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Amortization of capital assets		(\$700,277)	\$700,277																				
Amortization of capital allocations		\$364,206	(\$364,206)																				
Debt principal repayments (unsupported)		\$0	\$0																				
Net transfers to operating reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers to capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers from capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Balance at August 31, 2010</b>	\$3,842,486	\$1,974,802	\$1,867,684	\$0	\$0	\$0	\$0	\$0	\$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, 2010**  
(in dollars)

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2009</b>	\$0	\$2,549,446
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$0	\$2,549,446
<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>	\$0	
<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>		\$0
<b>Expended capital allocations - current year</b>	\$0	\$0
<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>		\$364,206
<b>Balance at August 31, 2010</b>	\$0	\$2,185,240

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

## Notes to the Financial Statements

---

### AURORA SCHOOL LTD.

August 31, 2010

---

#### **Note 1** Incorporation and Operations

---

Aurora School Ltd. ("the School") is a non-profit charter school incorporated under the Companies Act of Alberta. The School is governed by the School Act and the related Chartered Schools regulations. The School has been operated as a chartered school by Alberta Education since September 1996.

#### **Note 2** Significant Accounting Policies

---

Significant accounting policies observed in the preparation of the financial statements are summarized below. These policies are in accordance with Canadian generally accepted accounting principles.

##### **Financial Instruments**

Cash and temporary investments are classified as held-for-trading and are measured at fair value. Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities are classified as other financial liabilities, both of which are measured at amortized cost.

The School has chosen to continue to apply Section 3861, Financial Instruments - Disclosure and Presentation, instead of adopting Section 3862, Financial Instruments - Disclosure and Section 3863, Financial Instruments - Presentation.

##### **Capital Assets**

Capital assets are initially recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their useful lives.

	<u>Rate</u>
Furniture and fixtures	5%
Improvements to building and grounds	10 years
Computer hardware	33%

Improvements to building and grounds are amortized over the remaining term of the lease plus an additional term of five years.

##### **Income Taxes**

The School is registered charity and is exempt from income taxes under subsection 149.1(1) of the Income Tax Act (Canada).

---

**AURORA SCHOOL LTD.**

August 31, 2010

---

**Note 2**

Significant Accounting  
Policies (Continued)

---

**Revenue Recognition**

The School follows the deferral method of accounting for contributions. Restricted contributions, that meet the criteria of a liability, other than those received for the purchase of capital assets are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions from government, resource fees, interest, fundraising and rental are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donation revenues are recognized when received.

**Contributed Services**

Volunteers contribute many hours to assist the school in performing its function. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

**Pensions**

The School's employment contracts have no provision for employer contributions to a pension plan. The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta.

**Measurement uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The significant estimates pertain to economic lives of capital assets.

**Statement of cash flow**

The School is using the direct method in its presentation of the Statement of Cash Flow.

**Changes in accounting policies**

During the 2010 fiscal year, the School has chosen to continue to apply CICA Handbook Section 4400 "Financial Statement Presentation by Not-for-Profit Organizations" presentation of net assets invested in capital assets as a component of net assets separately from the unrestricted net assets balance.

## Notes to the Financial Statements

---

### AURORA SCHOOL LTD.

August 31, 2010

---

#### **Note 2**

##### Significant Accounting Policies (Continued)

---

Effective for year ends commencing after January 1, 2009 the Canadian Institute of Chartered Accountants Handbook Section 4470 establishes disclosure standards for not-for-profit organizations that classify their expenses by function and allocate their expenses to a number of functions to which the expenses relate. There was no impact to the financial statements of the School as a result of this change in policy.

The Institute of Chartered Accountants has announced amendments to Handbook Section 1000 "Financial Statement Concepts" and the definition of an asset. The amendments disallow the recognition of assets and liabilities solely based on the principle of matching revenues and expenses. This change in accounting policy has been applied retroactively. There was no impact to the financial statements of the School as a result of this change in policy.

#### **Note 3**

##### Future Accounting Standards

---

The Canadian Institute of Chartered Accountants (CICA) has issued new accounting standards which will affect the School's financial statements in subsequent fiscal years:

##### Developments in Not-for-Profit Accounting Standards

The Accounting Standards Board (AcSB) has issued a March 2010 exposure draft of accounting standards for not-for-profit organizations. The proposed changes to these standards include using the existing section 4400 as the primary source of accounting standards for not-for-profit organizations and material relating specifically to not-for-profit organizations in certain sections of the existing handbook. Not-for-profit organizations may select to either adopt International Financial Reporting Standards (IFRS) or the proposed new set of accounting standards with application required to fiscal years beginning on or after January 1, 2012 with the option to early adopt.

Notes to the Financial Statements

**AURORA SCHOOL LTD.**

August 31, 2010

**Note 4**  
Cash and Temporary  
Investments

	<b>2010</b>		
	<b>Average Effective (Market)</b>	<b>Cost</b>	<b>Fair Value</b>
	<b>Yield</b>		
Cash and cash equivalents	-	\$ 482,082	\$ 482,082
Fixed-income securities	2.25	1,579,443	1,579,443
<b>Total cash and temporary investments</b>		<b>\$ 2,061,525</b>	<b>\$ 2,061,525</b>

	<b>2009</b>		
	<b>Average Effective (Market)</b>	<b>Cost</b>	<b>Fair Value</b>
	<b>Yield</b>		
Cash and cash equivalents	-	\$ 107,612	\$ 107,612
Fixed-income securities	2.25	1,589,264	1,589,264
<b>Total cash and temporary investments</b>		<b>\$ 1,696,876</b>	<b>\$ 1,696,876</b>

Temporary investments consist of Guaranteed Investment Certificates maturing between April 16, 2011 and October 16, 2011, and bear interest at rates from 2.0% to 2.5%.

**Note 5**  
Accounts Receivable

	<b>2010</b>	<b>2009</b>
GST Receivable	\$ 12,991	\$ 16,469
Other	2,117	2,283
	<b>\$ 15,108</b>	<b>\$ 18,752</b>

Notes to the Financial Statements

**AURORA SCHOOL LTD.**

August 31, 2010

**Note 6**  
Capital Assets

	Furniture and Fixtures	Improvements to Building and Grounds	Computer Hardware	2010	2009
<b><u>HISTORICAL COST</u></b>					
September 1, 2009	\$ 78,129	\$ 6,201,548	\$ 14,478	\$ 6,294,155	5,999,108
Additions	-	5,380	-	5,380	295,047
August 31, 2010	\$ 78,129	\$ 6,206,928	\$ 14,478	\$ 6,299,535	6,294,155
<b><u>ACCUMULATED AMORTIZATION</u></b>					
September 1, 2009	\$ 71,820	\$ 1,350,072	\$ 11,944	\$ 1,433,836	732,084
Amortization expense	3,907	693,836	2,534	700,277	701,752
August 31, 2010	\$ 75,727	\$ 2,043,908	\$ 14,478	\$ 2,134,113	1,433,836
<b>Net Book Value at August 31, 2010</b>	<b>\$ 2,402</b>	<b>\$ 4,163,020</b>	<b>\$ -</b>	<b>\$ 4,165,422</b>	<b>4,860,319</b>

Amortization provided for in the current year totaled \$700,277; (2009 - \$701,752).

Amortization is taken on the leasehold improvements over the remaining portion of the lease agreement plus one renewal period.

**Note 7**  
Accounts Payable

	2010	2009
Trade payables - operations	\$ 186,057	\$ 109,355

## Notes to the Financial Statements

---

### AURORA SCHOOL LTD.

August 31, 2010

---

#### Note 8

##### Deferred Contributions

	<u>2010</u>	<u>2009</u>
Sundry donors for playground development	\$ 16,284	\$ 16,284
Donner Canadian Foundation	11,988	15,965
	<u>\$ 28,272</u>	<u>\$ 32,249</u>

The deferred contributions represent resources which are restricted by the contributors as to their use.

The School has spent \$3,977 (2009 - \$6,803) of the Donner Canadian Foundation contributions during the year. The remaining funds are to be spent on the biological science program.

In prior years, the School also has also received donations for playground development. The Sherbrook Community League is in the process of renovating its playground which the school utilizes during the school year. The Board has committed the full playground reserve funding to Sherbrook Community League pending their request in the following year.

#### Note 9

##### Unamortized Capital Allocations

	<u>2010</u>	<u>2009</u>
Balance - beginning of year	\$ 2,549,446	\$ 2,913,652
Less amounts recognized	(364,206)	(364,206)
Balance - end of year	<u>\$ 2,185,240</u>	<u>\$ 2,549,446</u>

The deferred capital contribution represents amounts funded by Alberta Government for leasehold improvements made to the School.

These amounts are recognized as revenue on the same basis as the leasehold improvements being amortized (see Note 6).

Notes to the Financial Statements

---

**AURORA SCHOOL LTD.**

August 31, 2010

---

**Note 10**  
Commitments

Aurora School Ltd. is committed under the terms of a lease agreement expiring in August 2011 to the following minimum annual base rental payments:

2011     \$   420,000

**Note 11**  
Financial Instruments

*Fair Value*

The School's carrying value of cash and temporary investments, accounts receivable, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short term maturity of these instruments. Management considers that no events have occurred subsequent to the financial statements that would indicate that fair value differs substantially from carrying values.

*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 manages exposure through its normal operating activities. The School is exposed to interest rate risk with respect to the amount of interest earned annually from cash funds on deposit with financial institutions.

*Other risks*

The School is not exposed to significant liquidity or currency risks.

**Note 12**  
Capital Disclosures

Capital is comprised of the School's net assets. As at August 31, 2010, the School's net assets were \$3,842,486 and it had no outstanding debt. The School's objectives when managing capital are to continue as a going concern and to protect its ability to meet its on going liabilities.

The School is not subject to any external capital requirements.

**Note 13**  
Economic Dependence

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

Notes to the Financial Statements

**AURORA SCHOOL LTD.**

August 31, 2010

**Note 14**  
Related Party  
Transactions

Effective for the 2005/2006 fiscal year, 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.

	2010	2009
<b>Revenues</b>		
Government of Alberta - Education	\$ 4,181,722	\$ 3,790,664
Current Year Capital Allocations Government of Alberta - Education	364,206	364,206
<b>Expenses</b>		
Other Alberta School Jurisdictions	\$ 419,969	\$ 419,969
<b>Accounts Receivable</b>		
Government of Alberta - Education	\$ -	\$ 520

**Note 15**  
Remuneration and  
Monetary Incentives

The School 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:

	FTE	Salaries	Benefits	Total
Superintendent	0.6	\$ 80,298	\$ 7,227	\$ 87,525
Secretary/Treasurer	0.2	16,019	-	16,019
Certificated Salaries	28.0	2,302,272	234,041	2,536,313
Uncertificated Salaries and Wages	3.0	152,418	18,290	170,708
		\$ 2,551,007	\$ 259,558	\$ 2,810,565

The Secretary/Treasurer is not a salaried employee, therefore the remuneration is included in "Contracted services" on the Statement of Revenues and Expenses.

**Note 16**  
Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

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

**Aurora School Ltd.**

Legal Name of School Jurisdiction

**12245 - 131 street, Edmonton AB T5L 1M8**

Mailing Address

**Phone: 780 454-1855 Fax: 780 454-8104**

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

**Holly Maccagno**

Name

**"DATED AND SIGNED ELECTRONICALLY"**

Signature

**22-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

## TABLE OF CONTENTS

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

**SCHEDULE A**

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

School Jurisdiction Code: 6020

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$149,961	\$2,886,706	\$716,147	\$238,872	\$190,036	\$0	\$4,181,722
(2) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(3) Federal Government and First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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	\$2,805	\$34,767					\$37,572
(8) Transportation fees-ECS				\$3,780			\$3,780
(9) Transportation fees-Grades 1-12				\$115,714			\$115,714
(10) Other sales and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Investment income	\$0	\$0	\$31,439	\$0	\$0	\$0	\$31,439
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(14) Gross school generated funds	\$1,173	\$62,996	\$0	\$0	\$0	\$0	\$64,169
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$364,206	\$0	\$0	\$0	\$364,206
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$153,939	\$2,984,469	\$1,111,792	\$358,366	\$190,036	\$0	\$4,798,602
<b>EXPENSES</b>							
(19) Certificated salaries	\$137,068	\$2,165,204			\$80,298	\$0	\$2,382,570
(20) Certificated benefits	\$13,934	\$220,107			\$7,227	\$0	\$241,268
(21) Non-certificated salaries and wages	\$19,052	\$133,366	\$0	\$0	\$0	\$0	\$152,418
(22) Non-certificated benefits	\$2,286	\$16,004	\$0	\$0	\$0	\$0	\$18,290
(23) SUB - TOTAL	\$172,340	\$2,534,681	\$0	\$0	\$87,525	\$0	\$2,794,546
(24) Services, contracts and supplies	\$24,533	\$171,728	\$746,074	\$262,745	\$78,764	\$0	\$1,283,844
(25) Gross school generated funds	\$1,173	\$62,996					\$64,169
(26) Amortization of capital assets	\$0	\$0	\$700,277	\$0	\$0	\$0	\$700,277
(27) Interest and charges	\$0	\$0	\$1,348	\$0	\$0	\$0	\$1,348
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$198,046	\$2,769,405	\$1,447,699	\$262,745	\$166,289	\$0	\$4,844,184
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$44,107)	\$215,064	(\$335,907)	\$95,621	\$23,747	\$0	(\$45,582)

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

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$0
<b>Sources of School Generated Funds:</b>			
	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$49,800	\$19,508	\$30,292
Student fees (Non-Instructional) (Note 1)	\$5,922	\$0	\$5,922
Donations and grants to schools	\$8,447	\$0	\$8,447
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	\$64,169	\$19,508	\$44,661
<b>Net SGF Available</b>			\$44,661
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$11,021
Field Trips			\$13,414
Other (describe): Donations / science supplies (biology) / classroom equipment			\$20,226
<b>Total Uses of Net SGF</b> (Note 2)			\$44,661
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$0
<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	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Uncertificated benefits	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Sub-total Remuneration	\$0	\$0	\$0	\$0	\$0		\$0		\$0
Supplies and services	\$190,791	\$445,154	\$0	\$0	\$0		\$635,945		\$635,945
Electricity			\$37,353				\$37,353		\$37,353
Natural Gas/Heating Fuel			\$56,353				\$56,353		\$56,353
Sewer and Water			\$7,220				\$7,220		\$7,220
Telecommunications			\$9,203				\$9,203		\$9,203
Insurance					\$0		\$0		\$0
Amortization of capital assets									
Supported								\$364,206	\$364,206
Unsupported						\$336,071	\$336,071		\$336,071
<b>Total Amortization</b>						\$336,071	\$336,071	\$364,206	\$700,277
Interest on capital debt									
Supported								\$0	\$0
Unsupported									
Other interest charges						\$1,348	\$1,348		\$1,348
Losses on disposal of capital assets						\$0	\$0		\$0
<b>TOTAL EXPENSES</b>	\$190,791	\$445,154	\$110,129	\$0	\$0	\$337,419	\$1,063,493	\$364,206	\$1,447,699
<b>SQUARE METRES</b>									
School Buildings									716.5
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.