

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

**The Chinook`s Edge School Division No. 73**

Legal Name of School Jurisdiction

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

Mailing Address

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

Telephone and Fax Numbers

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

The financial statements of The Chinook`s Edge School Division No. 73 presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the audited financial statements with management in detail and approved the financial statements for release.

***External Auditors***

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors were given full access to school jurisdiction records.

***Declaration of Management and Board Chairman***

To the best of our knowledge and belief, these financial statements reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and follow the financial reporting requirements prescribed by Alberta Education.

**BOARD CHAIR**

**Colleen Butler**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Kurt Sacher**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Mrs. Susan Roy, MBA, CSBO, CGA**

Name

**"ORIGINAL SIGNED"**

Signature

**November 24, 2010**

Board-approved Release Date

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## Auditors' Report

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

We have audited the statement of financial position of Chinook's Edge School Division No. 73 as at August 31, 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 Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

*Meyers Norris Penny LLP*

Red Deer, Alberta

November 8, 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 2, 4)	\$7,981,438	\$13,115,219
Accounts receivable (net after allowances) (Note 2, 5)	\$8,046,538	\$9,383,687
Prepaid expenses (Note 2)	\$1,118,400	\$1,432,683
Other current assets	\$270	\$6,030,081
<b>Total current assets</b>	<b>\$17,146,646</b>	<b>\$29,961,670</b>
School generated assets (Note 2)	\$1,182,057	\$1,169,406
Trust assets (Note 12)	\$1,015,346	\$938,499
Long term accounts receivable	\$0	\$0
Long term investments (Note 2, 6)	\$118,305	\$137,316
Capital assets (Note 2, 7)		
Land	\$2,596,370	\$2,860,070
Construction in Progress	\$525,332	\$24,915,155
Buildings	\$174,645,964	
Less: accumulated amortization	(\$61,592,333)	\$113,053,631
Equipment	\$16,340,720	
Less: accumulated amortization	(\$8,724,765)	\$7,615,955
Vehicles	\$9,798,350	
Less: accumulated amortization	(\$5,863,294)	\$3,935,056
<b>Total capital assets</b>	<b>\$127,726,344</b>	<b>\$122,210,245</b>
<b>TOTAL ASSETS</b>	<b>\$147,188,698</b>	<b>\$154,417,136</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 8)	\$0	\$0
Accounts payable and accrued liabilities (Note 2, 9)	\$7,270,291	\$13,531,364
Deferred revenue (Note 10)	\$1,983,770	\$3,944,748
Deferred capital allocations (Note 14)	\$935,343	\$7,007,345
Current portion of long term debt (Note 13)	\$671,747	\$1,006,747
<b>Total current liabilities</b>	<b>\$10,861,151</b>	<b>\$25,490,204</b>
School generated liabilities	\$1,182,057	\$1,169,406
Trust liabilities (Note 12)	\$1,015,346	\$938,499
Employee future benefit liabilities (Note 2)	\$104,193	\$140,248
Long term debt (Note 2, 13)		
Supported: Debentures and other supported debt	\$2,037,923	\$2,744,671
Less: Current portion	(\$671,747)	(\$706,747)
Unsupported: Debentures and Capital Loans	\$0	\$300,000
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	(\$300,000)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 15)	\$104,736,378	\$99,491,665
<b>Total long term liabilities</b>	<b>\$108,404,150</b>	<b>\$103,777,742</b>
<b>TOTAL LIABILITIES</b>	<b>\$119,265,301</b>	<b>\$129,267,946</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$1,124,953	\$1,000,000
Operating Reserves (Note 2)	\$5,031,403	\$3,897,643
Accumulated Operating Surplus (Deficit)	\$6,156,356	\$4,897,643
Investment in capital assets	\$20,952,041	\$19,673,913
Capital Reserves (Note 2)	\$815,000	\$577,634
Total Capital Funds	\$21,767,041	\$20,251,547
<b>Total net assets</b>	<b>\$27,923,397</b>	<b>\$25,149,190</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$147,188,698</b>	<b>\$154,417,136</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 3) Restated	Actual 2009 (Note 3) Restated
<b>REVENUES</b>			
Government of Alberta	\$101,618,113	\$97,506,675	\$97,538,753
Federal Government and First Nations	\$130,601	\$82,243	\$177,265
Other Alberta school authorities	\$50,454	\$153,611	\$43,302
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$620,103	\$595,297	\$631,808
Instruction resource fees	\$1,053,132	\$861,803	\$1,055,864
Transportation fees	\$137,872	\$105,000	\$89,843
Other sales and services	\$682,250	\$263,193	\$509,249
Investment income	\$56,825	\$322,210	\$157,877
Gifts and donations	\$191,001	\$69,400	\$115,439
Rental of facilities	\$207,037	\$165,150	\$174,790
Gross school generated funds	\$3,306,341	\$3,200,000	\$3,241,865
Gains on disposal of capital assets	\$847,355	\$35,000	\$205,009
Amortization of capital allocations	\$3,592,876	\$3,145,000	\$3,142,356
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$112,493,960</b>	<b>\$106,504,582</b>	<b>\$107,083,420</b>
<b>EXPENSES</b>			
Certificated salaries (Note 24)	\$52,274,474	\$51,777,735	\$49,512,096
Certificated benefits (Note 24)	\$5,371,305	\$6,065,803	\$5,301,730
Non-certificated salaries and wages (Note 24)	\$20,037,828	\$18,326,579	\$19,656,620
Non-certificated benefits (Note 24)	\$4,008,314	\$5,422,540	\$3,785,395
Services, contracts and supplies	\$16,896,015	\$17,332,092	\$16,526,847
Gross school generated funds	\$3,306,341	\$3,200,000	\$3,241,865
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$6,515,821	\$3,145,000	\$3,142,356
Unsupported	\$786,870	\$3,046,755	\$2,737,175
<b>Total Amortization of capital assets</b>	<b>\$7,302,691</b>	<b>\$6,191,755</b>	<b>\$5,879,531</b>
Interest on capital debt			
Supported	\$239,177	\$252,000	\$323,373
Unsupported	\$0	\$6,500	\$16,301
<b>Total Interest on capital debt</b>	<b>\$239,177</b>	<b>\$258,500</b>	<b>\$339,674</b>
Other interest and charges	\$0	\$1,000	\$778
Losses on disposal of capital assets	\$21,108	\$0	\$28,974
<b>Other expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$109,457,253</b>	<b>\$108,576,004</b>	<b>\$104,273,510</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$3,036,707</b>	<b>(\$2,071,422)</b>	<b>\$2,809,910</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$3,036,707</b>	<b>(\$2,071,422)</b>	<b>\$2,809,910</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	\$3,036,707	\$2,809,910
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,592,876)	(\$3,142,356)
Total amortization expense	\$7,302,691	\$5,879,531
Gains on disposal of capital assets	(\$847,355)	(\$205,009)
Losses on disposal of capital assets	\$21,108	\$28,974
Changes in:		
Accounts receivable	\$1,337,149	\$7,280,627
Prepays and other current assets	\$6,344,094	(\$6,166,427)
Long term accounts receivable	\$0	\$0
Long term investments	\$19,011	(\$27,543)
Accounts payable and accrued liabilities	(\$6,261,073)	\$1,613,187
Deferred revenue	(\$1,960,978)	(\$1,438,197)
Employee future benefit liabilities	(\$36,055)	(\$252)
Other (describe)      Decrease (Increase) in temporary investments (Note 23)	(\$6,029,724)	\$6,029,724
<b>Total cash flows from Operations</b>	<b>(\$667,301)</b>	<b>\$12,662,169</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$9,906,317)	(\$16,916,241)
Equipment	(\$3,384,583)	(\$3,959,816)
Vehicles	(\$450,254)	(\$788,334)
Net proceeds from disposal of capital assets	\$891,111	\$332,185
Other (describe)      Decrease (Increase) in temporary investments (Note 23)	\$6,029,724	(\$6,029,724)
<b>Total cash flows from Investing activities</b>	<b>(\$6,820,319)</b>	<b>(\$27,361,930)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$2,653,840	\$16,360,646
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,006,748)	(\$1,360,497)
Add back: supported portion	\$706,747	\$760,497
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$2,353,839</b>	<b>\$15,760,646</b>
<b>Net cash flows from during the year</b>	<b>(\$5,133,781)</b>	<b>\$1,060,885</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$13,115,219</b>	<b>\$12,054,334</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$7,981,438</b>	<b>\$13,115,219</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: 53

(in dollars)

	(1)	(2)	(3)	(4)	(5)	INTERNALLY RESTRICTED NET ASSETS						(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>	\$25,149,190	\$19,673,913	\$1,000,000	\$3,897,643	\$577,634	\$4,003,764	\$200,000	(\$110,737)	\$0	\$264	\$147,634	\$4,352	\$230,000	\$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
<b>Adjusted Balance, Aug. 31, 2009</b>	\$25,149,190	\$19,673,913	\$1,000,000	\$3,897,643	\$577,634	\$4,003,764	\$200,000	(\$110,737)	\$0	\$264	\$147,634	\$4,352	\$230,000	\$0	\$0
Excess (deficiency) of revenues over expenses	\$3,036,707		\$3,036,707												
Board funded capital additions		\$5,015,308	\$0	\$0	(\$5,015,308)	\$0	(\$949,002)	\$0	(\$3,639,824)	\$0	(\$13,699)	\$0	(\$412,763)	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$64,865)	\$0		\$64,865				\$42,741				\$0		\$0
Disposal of supported capital assets (board funded portion)	(\$262,500)	(\$262,500)	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$7,302,691)	\$7,302,691												
Amortization of capital allocations		\$3,592,876	(\$3,592,876)												
Debt principal repayments (unsupported)		\$300,000	(\$300,000)												
Net transfers to operating reserves			(\$1,133,760)	\$1,133,760		\$1,578,590		(\$457,066)		\$9,686		\$2,550		\$0	\$0
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0
Net transfers to capital reserves			(\$5,187,809)		\$5,187,809		\$926,678		\$3,597,083		\$256,065		\$407,783		\$0
Net transfers from capital reserves			\$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
<b>Balance at August 31, 2010</b>	\$27,923,397	\$20,952,041	\$1,124,953	\$5,031,403	\$815,000	\$5,582,354	\$200,000	(\$567,803)	\$0	\$9,950	\$390,000	\$6,902	\$225,000	\$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>	\$7,007,345	\$99,491,665
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$7,007,345	\$99,491,665
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$2,012,454	
Other Government of Alberta	\$42,832	
Federal Government and First Nations	\$0	
Other sources	\$220,000	
<b>Interest earned on provincial government capital allocations</b>	\$317,849	
<b>Other capital grants and donations</b>	\$60,705	
<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>		\$706,747
<b>Expended capital allocations - current year</b>	(\$8,725,842)	\$8,725,842
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$595,000
<b>Capital allocations amortized to revenue</b>		\$3,592,876
<b>Balance at August 31, 2010</b>	<b>\$935,343</b>	<b>\$104,736,378</b>

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**1. AUTHORITY AND PURPOSE**

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Education for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

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

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

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

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

b) Cash and Temporary Investments

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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c) Capital Assets

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

Buildings	2.5% to 10%
Vehicles & Buses	10% and 20%
Equipment & Furnishings	10% and 20%
Playground Equipment	5%
Technology Equipment (purchased after September 1, 2006)	33%

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

d) School Generated Funds

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

e) Vacation Pay

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

f) Pensions

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

The current service and past service costs of the Alberta Teacher Retirement Fund are met by the contributions of active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Chinook's Edge School Division No. 73 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan (LAPP) and in a multi-employer senior management registered pension plan (SiPP), and does not report on any unfunded liabilities. The expense for these pension plans is equivalent to the annual employer contributions of \$953,381 (2009 - \$773,690) for LAPP and \$68,112 (2009 - \$51,465) for SiPP for the year ended August 31, 2010. As at December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). In 2010, the Government of Alberta 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.

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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g) Inventories

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

h) Prepaid Expenses

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

i) Contributed Services

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

j) Operating and Capital Reserves

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

k) Employee Future Benefits

The School Division accrues its obligations under employee future benefit plans and expenses the related costs. The financial impact on the Division for the 2009/2010 school year was an accrual of \$104,193 (2008/2009 \$140,248). The total expense recorded in the financial statements is \$154,843 (2008/2009 \$318,637).

**Defined benefit pension plan**

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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l) Long-lived Assets

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

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

m) Financial Instruments

**Held for Trading**

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

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

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

**Loans and Receivables**

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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m) Financial Instruments (Continued)

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

**Other Financial Liabilities**

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

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

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

**3. CHANGE IN ACCOUNTING POLICY**

Effective September 1, 2009, the School Division retroactively adopted the amendment of CICA Handbook Section 4400 *Financial Statement Presentation by Not-for-profit Organizations*. Amendments to the section included clarification on the requirement to recognize and present revenues and expenses on a gross basis when a not-for-profit organization is acting as a principal in the transaction.

The effect of adopting the amendment to Section 4400 resulted in an increase to the prior year's School Generated Funds revenue and expenses of \$1,216,641 each and an increase to the budgeted School Generated Funds revenue and expenses of \$1,200,000 each.

**4. CASH AND TEMPORARY INVESTMENTS**

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	-	\$7,981,438	\$7,981,438	-	\$13,115,219	\$13,115,219
Fixed-income securities						
Government of Canada, direct and guaranteed	%	0	0	%	0	0
Guaranteed investment certificates	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total fixed-income securities	%	<u>0</u>	<u>0</u>	%	<u>0</u>	<u>0</u>
Total cash and temporary investments	<u>%</u>	<u>\$7,981,438</u>	<u>\$7,981,438</u>	<u>%</u>	<u>\$13,115,219</u>	<u>\$13,115,219</u>

Refer to Note 2 (m).

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

**5. ACCOUNTS RECEIVABLE**

	<b>2010</b>	<b>2009</b>
Alberta Education	\$4,172,215	\$1,892,289
Alberta Infrastructure and Transportation	21,190	1,366
Alberta Finance	91,877	123,453
Other Province of Alberta	0	73,932
Federal Government	516,678	663,068
Alberta Municipalities	612,453	905,469
Other Alberta School Jurisdictions	21,374	13,460
Olds College	2,194,345	5,251,678
Other	416,406	458,972
<b>Total</b>	<b>\$8,046,538</b>	<b>\$9,383,687</b>

**6. LONG TERM INVESTMENTS**

	<b>2010</b>			<b>2009</b>		
	<b>Effective (Market) Yield</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Effective (Market) Yield</b>	<b>Cost</b>	<b>Fair Value</b>
Fixed income securities						
Government of Canada, direct and guaranteed	%	\$0	\$0	%	\$0	\$0
Provincial, direct and guaranteed	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Pooled investment funds	3.58%	84,826	99,753	8.25%	93,157	112,378
Total fixed income securities	<u>%</u>	<u>0</u>	<u>0</u>	<u>%</u>	<u>0</u>	<u>0</u>
Equities						
Canadian	5.87%	11,022	13,393	8.25%	10,701	13,265
Foreign	-4.03%	6,089	5,159	8.25%	10,950	11,673
Real Estate	%	0	0	%	0	0
Absolute return strategies	%	0	0	%	0	0
Total equities	<u>%</u>	<u>0</u>	<u>0</u>	<u>%</u>	<u>0</u>	<u>0</u>
<b>Total long term investments</b>	<u>4.63%</u>	<u>\$101,938</u>	<u>\$118,305</u>	<u>8.25%</u>	<u>\$114,808</u>	<u>\$137,316</u>

Please refer to Note 2 (m).

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2010**

**7. TANGIBLE CAPITAL ASSETS**

	Land	Construction In Progress	Buildings 10-40 Years	Equipment - Computer Hardware & Software 3-5 Years	Other Equipment 5-10 Years	Vehicles 5-10 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life								
<b>Historical cost</b>								
September 1, 2009	2,860,070	24,915,155	141,209,826	7,092,776	6,306,768	9,592,903	191,977,498	170,924,405
Additions	-	525,332	9,380,983	2,331,771	1,052,811	450,253	13,741,150	21,664,393
Transfers in (out)	-	(24,915,155)	24,915,155	-	-	-	-	-
Less disposals including write-offs	(263,700)	-	(860,000)	(39,937)	(403,469)	(244,806)	(1,811,912)	(611,300)
August 31, 2010	2,596,370	525,332	174,645,964	9,384,610	6,956,110	9,798,350	203,906,736	191,977,498
<b>Accumulated amortization</b>								
September 1, 2009	-	-	58,038,556	2,868,428	3,567,613	5,292,656	69,767,253	64,338,514
Amortization expense	-	-	3,818,777	2,159,253	509,211	815,444	7,302,685	5,879,528
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	(265,000)	(40,125)	(339,615)	(244,806)	(889,546)	(450,789)
August 31, 2010	-	-	61,592,333	4,987,556	3,737,209	5,863,294	76,180,392	69,767,253
<b>Net Book Value at August 31, 2010</b>	2,596,370	525,332	113,053,631	4,397,054	3,218,901	3,935,056	127,726,344	122,210,245

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2010**

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**8. BANK INDEBTEDNESS**

The Division has an authorized line of credit in the amount of \$5,000,000 (2009 - \$5,000,000) that bears interest at the Servus Credit Union prime rate less 1.0% and is secured by a general security agreement. There was a balance outstanding on the line of credit at August 31, 2010 of nil (2009 - nil). Bank indebtedness is monitored throughout the year to ensure compliance with Section 183(1) of the School Act. This Section requires that total borrowing cannot exceed total receivables.

	<u>2010</u>	<u>2009</u>
Accounts Receivable	\$8,046,538	\$9,383,687
Less: Bank Indebtedness	<u>0</u>	<u>0</u>
<b>Allowable Bank Indebtedness</b>	<b><u>\$5,000,000</u></b>	<b><u>\$5,000,000</u></b>

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2010</u>	<u>2009</u>
Alberta Finance	\$ 95,909	\$ 124,512
Federal Government	2,078,145	1,960,905
Other Alberta School Jurisdictions	37,447	56,531
Other Trade Payables and Accrued Liabilities	<u>5,145,190</u>	<u>11,389,416</u>
<b>Total</b>	<b><u>\$7,270,291</u></b>	<b><u>\$13,531,364</u></b>

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2010**

**10. DEFERRED REVENUE**

Source and Grant or Fund Type	Deferred Revenue as at August 31, 2009	Add 2009/2010 Restricted Funds Received / Receivable	Deduct Restricted Funds Expended	Deferred Revenue as at August 31, 2010
<b>Alberta Education Restricted Operational Funding:</b>				
Alberta Initiative for School Improvement	265,968	1,479,243	1,544,225	200,986
Children and Youth with Complex Needs	0	44,000	44,000	0
CTS evergreen	14,312	220,569	94,881	140,000
Dual accreditation	353,763	0	110,810	242,953
Elementary Science	18,186	0	18,186	0
Health Pathways	318,872	325,000	199,289	444,583
High School Success	110,766	0	71,229	39,537
Infrastructure Maintenance Renewal	1,876,626	1,994,723	3,424,707	446,641
Innovative classrooms	6,085	374,403	380,488	0
One-to-one laptop initiative	13,077	0	13,077	0
Resources for the classroom	137,780	0	123,540	14,240
Technology in the classroom	31,583	0	31,583	60,001
Technology infrastructure	47,228	0	47,228	0
Other Alberta Education restricted funding		48,030	6,249	41,781
Other deferred revenue	750,502	0	295,673	353,048
<b>Total</b>	<b>\$3,944,748</b>	<b>\$4,485,968</b>	<b>\$6,405,165</b>	<b>\$1,983,770</b>

**11. OTHER REVENUE FROM ALBERTA EDUCATION**

	<b><u>2010</u></b>	<b><u>2009</u></b>
Stabilization funding	284,429	285,036
Lease funding	269,430	246,801
Transportation fuel funding	0	336,767
Transportation bus safety funding	0	97,500
<b>Total</b>	<b><u>\$553,859</u></b>	<b><u>\$966,104</u></b>

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

**12. TRUST ASSETS AND LIABILITIES**

	<u>2010</u>	<u>2009</u>
Scholarship Trusts	\$ 837,392	\$828,865
Deferred Salary Leave Plan	172,253	104,998
Sunshine Fund	<u>5,701</u>	<u>4,636</u>
<b>Total</b>	<b><u>\$1,015,346</u></b>	<b><u>\$938,499</u></b>

**13. LONG TERM DEBT**

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.0% and 11.125%. The debenture debt is fully supported by Alberta Finance. The current portion of the long-term debenture debt consists entirely of amounts payable by Alberta Finance on supported debt.

	<u>2010</u>	<u>2009</u>
Principal balance with interest rates ranging from 8.0% to 11.125%.	\$2,037,923	\$2,744,671
Less: Current portion	<u>671,747</u>	<u>706,747</u>
	<b><u>\$1,366,176</u></b>	<b><u>\$2,037,923</u></b>

Principal repayments are estimated as follows:

2011	\$671,747
2012	656,057
2013	422,357
2014	170,849
2015	<u>116,913</u>
	<b><u>\$2,037,923</u></b>

Capital loan – Unsupported

The demand capital loan bears interest at prime less 1.0%.

	<u>2010</u>	<u>2009</u>
Principal balance with interest rate of prime less 1.0% secured by a general security agreement covering all division assets and assignment of adequate All Risk insurance.	\$ 0	\$ 300,000
Less: Current portion	<u>0</u>	<u>300,000</u>
	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**13. LONG TERM DEBT (Continued)**

Capital Leases – Unsupported

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

**14. 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.

**15. 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.

**16. ASSET RETIREMENT OBLIGATIONS**

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

**17. COMMITMENTS**

Building Projects

The School Division is committed to further capital expenditures for the modernization and addition of C P Blakely School of \$36,081 (2009 – \$2,737,472), for the construction of the new Carstairs Elementary School of approximately \$13,627 (2009 – \$3,493,140), and for the mechanical upgrade of Cremona School of \$0 (2009 – \$517,860). In addition, the School Division, in a joint venture with Olds College, is committed to further capital expenditures for the construction of four facilities at Olds College of approximately \$26,853 (2009 – \$5,655,650). These costs will be fully funded by the capital allocations from Alberta Education, Alberta Advanced Education, Chinook's Edge, Olds College, Mountain View County, and the Town of Olds.

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**17. COMMITMENTS (Continued)**

Premise Lease

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

2011	\$402,607
2012	348,037
2013	330,956
2014	113,931

**18. CONTINGENCIES**

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

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

Subsequent to year end, the School Division was named co-defendant in a lawsuit involving a motor vehicle accident of a student. Given the very early stage of this lawsuit and, as litigation is subject to many uncertainties, it is not possible to predict the ultimate outcome or to estimate the loss, if any, which may result at the date of this report. The School Division's insurers have been advised of this claim and are cooperating with the School Division in the defense of this lawsuit subject to policy deductibles, limits and terms and conditions.

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73  
NOTES TO THE FINANCIAL STATEMENTS  
AUGUST 31, 2010**

**19. RELATED PARTY TRANSACTIONS**

Effective 2005/2006, school divisions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. The Chinook's Edge School Division No. 73 had related party transactions for the year ended August 31, 2010 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amounts of consideration agreed upon between the related parties.

2009-2010	Balances		Transactions	
	Assets (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
<b>Government of Alberta:</b>				
Education	\$ 4,172,215	\$ 3,114	\$ 99,788,664	\$ 0
Infrastructure & Transportation	21,190	0	0	0
Finance	91,877	95,909	237,616	0
Health & Wellness	0	160	0	148,596
Human Resources/Employment	0	0		0
Other Gov't of Alberta departments	0	0	389,598	0
<b>Other:</b>				
Health authorities	0	0	0	0
Post-secondary institutions	2,194,345	128,488	0	490,898
Other Alberta school jurisdictions	21,374	37,447	44,907	177,734
Other related parties	0	152,356	976,419	953,699
<b>TOTAL 2009-2010</b>	<u>\$6,501,001</u>	<u>\$417,474</u>	<u>\$101,437,204</u>	<u>\$1,770,927</u>
<b>TOTAL 2008-2009</b>	<u>\$7,356,178</u>	<u>\$790,163</u>	<u>\$ 97,886,429</u>	<u>\$ 820,372</u>

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

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

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**21. DEFINED BENEFIT PENSION PLAN**

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

**Accrued benefit plan obligation**

	<u><b>2010</b></u>	<u><b>2009</b></u>
Accrued benefit plan obligation, beginning of year	119,400	111,700
Accrual for services	18,300	20,400
Interest cost	5,900	8,300
Benefits payments	(101,100)	0
Actuarial gain (loss) on accrued benefit plan obligation	<u>7,900</u>	<u>(21,000)</u>
Accrued benefit plan obligation, end of year	<u><b>\$ 50,400</b></u>	<u><b>\$119,400</b></u>

**Accrued benefit liability**

	<u><b>2010</b></u>	<u><b>2009</b></u>
Accrued benefit plan obligation	50,400	119,400
Balance of unamortized amounts	<u>1,900</u>	<u>8,000</u>
Accrued benefit liability	<u><b>\$52,300</b></u>	<u><b>\$127,400</b></u>

**Elements of defined benefit costs recognized in the year**

	<u><b>2010</b></u>	<u><b>2009</b></u>
Current service cost	18,300	20,400
Interest cost	<u>5,900</u>	<u>8,300</u>
Defined benefit costs recognized	<u><b>\$24,200</b></u>	<u><b>\$28,700</b></u>

**Significant assumption**

	<u><b>2010</b></u>	<u><b>2009</b></u>
Accrued benefit obligation discount	6.00%	6.75%

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**22. FINANCIAL INSTRUMENTS**

**Fair value disclosure**

The carrying amount of cash and temporary investments, accounts receivable and accounts payable and accrued liabilities approximates their fair values due to the short-term maturities of these items. The Division has invested surplus funds in accordance with section 60(2)(d) of the School Act.

The fair value of the School Division's long-term financial instruments is estimated using discounted cash flow analysis based on current market rates for such instruments with similar terms and risks. Based on these assumptions, the fair values as at August 31, 2010 of these long-term financial instruments are as follows:

	Carrying Amount		Fair Value	
	2010	2009	2010	2009
Long-term debt	\$2,037,923	\$3,044,671	\$1,973,845	\$2,197,756

**Interest rate risk**

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

**23. SUPPLEMENTAL CASH FLOW INFORMATION**

	<u>2010</u>	<u>2009</u>
Interest paid	\$238,801	\$339,674

Included in investing activities (other) is the following:

Decrease (Increase) in temporary investments	\$6,029,724	(\$6,029,724)
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**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

**24. REMUNERATION AND MONETARY INCENTIVES**

The Chinook's Edge School Division No. 73 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>Allowances</b>	<b>Expenses</b>
Chair, Taylor, Ian	1.00	17,220	3,862	648	14,341
Vice Chair, Wagstaff, Doug	1.00	10,080	447	384	7,143
Archibald, Penny	1.00	10,080	1,693	132	7,056
Butler, Colleen	1.00	18,480	2,429	936	13,904
Cooper, Sherry	1.00	15,330	4,455	156	8,940
Fisher, Ron	1.00	19,320	3,862	924	13,598
Huelsman, Connie	1.00	8,085	4,065	108	6,186
MacFarquhar, Bill	1.00	18,375	4,625	840	11,734
Swainson, Jackie	1.00	13,860	4,376	360	8,484
<b>Subtotal</b>	<b>9.00</b>	<b>130,830</b>	<b>\$ 29,814</b>	<b>\$ 4,488</b>	<b>\$91,386</b>
Superintendent Sacher, Kurt	0.25	45,500	9,679	0	7,864
Former Superintendent Gibbons, James	0.75	241,482	15,364	0	15,063
Corporate Secretary, Tarnoczi, Allan	0.38	58,833	5,177	0	3,442
Corporate Secretary Moltzan, Bruce	0.38	62,606	12,251	0	36
Corporate Treasurer Roy, Susan	1.00	114,600	29,360	0	5,392
Certificated Teachers	586.42	51,928,658	5,341,084	0	
Non-certificated – Other	528.3	19,725,305	3,936,889	0	
<b>TOTALS</b>	<b>1126.48</b>	<b>\$72,307,814</b>	<b>\$9,379,618</b>	<b>\$4,488</b>	<b>\$123,183</b>

**CHINOOK'S EDGE SCHOOL DIVISION NO. 73**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AUGUST 31, 2010**

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**25. BUDGET AMOUNTS**

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

**26. COMPARATIVE FIGURES**

The Budget 2010 and Actual 2009 comparative figures have been reclassified where necessary to conform to Actual 2010 presentation.

**27. SUBSEQUENT EVENTS**

On May 21, 2008, Chinook's Edge School Division No. 73 entered into an agreement to sell land in Red Deer, Alberta for \$640,000. This agreement has certain conditions, that if met, will result in a closing date of May 1, 2011. The sale will result in a gain on disposal of \$630,000.

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

**The Chinook`s Edge School Division No. 73**

Legal Name of School Jurisdiction

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

Mailing Address

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

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

**Mrs. Susan Roy, MBA, CSBO, CGA**  
Name

**"SIGNED AND DATED ELECTRONICALLY"**  
Signature

**November 30, 2010**

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch,  
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**SCHEDULE A**

School Jurisdiction Code: 53

**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	\$3,849,860	\$73,605,214	\$12,789,740	\$5,866,240	\$3,904,050	\$819,768	\$100,834,872
(2) Other - Government of Alberta	\$0	\$305,677	\$0	\$0	\$0	\$477,564	\$783,241
(3) Federal Government and First Nations	\$0	\$130,601	\$0	\$0	\$0	\$0	\$130,601
(4) Other Alberta school authorities	\$0	\$44,907	\$0	\$5,547	\$0	\$0	\$50,454
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$412,372	\$0	\$0	\$0	\$207,731	\$620,103
(7) Instruction resource fees	\$0	\$1,053,132					\$1,053,132
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$137,872			\$137,872
(10) Other sales and services	\$0	\$296,155	\$221,953	\$150,165	\$13,977	\$0	\$682,250
(11) Investment income	\$0	\$8,827	\$33,733	\$0	\$14,265	\$0	\$56,825
(12) Gifts and donations	\$0	\$186,690	\$0	\$500	\$3,811	\$0	\$191,001
(13) Rental of facilities	\$0	(\$11,459)	\$218,496	\$0	\$0	\$0	\$207,037
(14) Gross school generated funds	\$125,037	\$3,181,304	\$0	\$0	\$0	\$0	\$3,306,341
(15) Gains on disposal of capital assets	\$0	\$0	\$833,415	\$13,940	\$0	\$0	\$847,355
(16) Amortization of capital allocations	\$0	\$294,595	\$3,288,365	\$9,916		\$0	\$3,592,876
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$3,974,897	\$79,508,015	\$17,385,702	\$6,184,180	\$3,936,103	\$1,505,063	\$112,493,960
<b>EXPENSES</b>							
(19) Certificated salaries	\$2,013,125	\$49,301,175			\$960,174	\$0	\$52,274,474
(20) Certificated benefits	\$222,957	\$5,088,574			\$59,774	\$0	\$5,371,305
(21) Non-certificated salaries and wages	\$1,031,626	\$9,981,137	\$4,575,380	\$2,049,170	\$1,480,657	\$919,858	\$20,037,828
(22) Non-certificated benefits	\$168,496	\$2,020,579	\$1,004,045	\$303,398	\$332,444	\$179,352	\$4,008,314
(23) SUB - TOTAL	\$3,436,204	\$66,391,465	\$5,579,425	\$2,352,568	\$2,833,049	\$1,099,210	\$81,691,921
(24) Services, contracts and supplies	\$537,299	\$6,782,945	\$5,140,280	\$3,411,362	\$835,743	\$188,386	\$16,896,015
(25) Gross school generated funds	\$125,037	\$3,181,304					\$3,306,341
(26) Amortization of capital assets	\$97,281	\$2,484,173	\$3,817,151	\$777,813	\$126,273	\$0	\$7,302,691
(27) Interest and charges	\$0	\$0	\$237,616	\$0	\$1,561	\$0	\$239,177
(28) Losses on disposal of capital assets	\$0	\$21,108	\$0	\$0	\$0	\$0	\$21,108
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$4,195,821	\$78,860,995	\$14,774,472	\$6,541,743	\$3,796,626	\$1,287,596	\$109,457,253
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$220,924)	\$647,020	\$2,611,230	(\$357,563)	\$139,477	\$217,467	\$3,036,707

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

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			1,169,406.00
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	1,752,474.00	1,173,521.00	\$578,953
Student fees (Non-Instructional) (Note 1)	1,325,932.00	\$0	\$1,325,932
Donations and grants to schools	240,586.00	\$0	\$240,586
Other (describe):	\$0	\$0	\$0
<b>Net Additions to SGF</b>	\$3,318,992	\$1,173,521	\$2,145,471
<b>Net SGF Available</b>			\$3,314,877
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			1,657,126.00
Field Trips			423,649.00
Other (describe): Equipment, School Beautification			\$52,045
<b>Total Uses of Net SGF</b> (Note 2)			\$2,132,820
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$1,182,057

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	\$3,169,215	\$958,973	\$0	\$143,023	\$304,169		\$4,575,380		\$4,575,380
Uncertificated benefits	\$723,829	\$219,779	\$0	\$21,579	\$38,858		\$1,004,045		\$1,004,045
Sub-total Remuneration	\$3,893,044	\$1,178,752	\$0	\$164,602	\$343,027		\$5,579,425		\$5,579,425
Supplies and services	\$564,002	\$1,071,216	\$58,366	\$1,198,884	\$83,590		\$2,976,058		\$2,976,058
Electricity			\$1,086,674				\$1,086,674		\$1,086,674
Natural Gas/Heating Fuel			\$699,169				\$699,169		\$699,169
Sewer and Water			\$176,483				\$176,483		\$176,483
Telecommunications			\$55,669				\$55,669		\$55,669
Insurance					\$146,227		\$146,227		\$146,227
Amortization of capital assets									
Supported								\$3,694,700	\$3,694,700
Unsupported						\$122,451	\$122,451	\$3,694,700	\$3,817,151
Total Amortization						\$122,451	\$122,451		\$122,451
Interest on capital debt									
Supported								\$237,616	\$237,616
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$4,457,046	\$2,249,968	\$2,076,361	\$1,363,486	\$572,844	\$122,451	\$10,842,156	\$3,932,316	\$14,774,472
<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.