

**AUDITED  
FINANCIAL STATEMENTS  
and Supporting Schedules  
FOR THE YEAR ENDED AUGUST 31, 2003**  
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Name of School Jurisdiction

**5310 49 Street Barrhead, AB T7N 1P3**

Mailing Address

**Telephone: (780)674-8500 Fax: (780)674-3262**

Telephone and Fax Numbers

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

The financial statements and supporting schedules PEMBINA HILLS REGIONAL DIVISION NO. 7

(Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

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 budgetary system of control.

***Board of Trustees Responsibility***

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board 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 have full and free access to school jurisdiction records.

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

To the best of our knowledge and belief, these financial statements and supporting schedules 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 Ministerial requirements for Alberta school jurisdictions.

**BOARD CHAIRMAN**

**Clayton Jespersen**

Name

**"Original signed by"**

Signature

**SUPERINTENDENT**

**David Panas**

Name

**"Original signed by"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Tracy J. Meunier, CGA**

Name

**"Original signed by"**

Signature

**November 12, 2003**

Board-approved Release Date

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# *Clews & Shoemaker*

CHARTERED ACCOUNTANTS

Graham Rex Clews Professional Corporation

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John S. Shoemaker Professional Corporation

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## AUDITOR'S REPORT

To the Board of Trustees of the Pembina Hills Regional Division No. 7:

We have audited the statement of financial position of Pembina Hills Regional Division No. 7 as at August 31, 2003, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to 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 Pembina Hills Regional Division No. 7 as at August 31, 2003, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Westlock, Alberta  
November 5, 2003



CHARTERED ACCOUNTANTS

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

(in dollars)

	2003	2002
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$5,495,512	\$7,774,492
Accounts receivable (net after allowances)	\$1,332,313	\$1,426,937
Prepaid expenses	\$246,165	\$405,043
Other current assets	\$347,061	\$347,999
<b>Total current assets</b>	<b>\$7,421,051</b>	<b>\$9,954,471</b>
School generated assets	\$435,026	\$459,634
Trust assets	\$564,341	\$612,514
Long term accounts receivable	\$0	\$0
Capital assets		
Land	\$512,834	\$512,834
Buildings	\$37,305,151	
Less: accumulated amortization	(\$20,518,867)	\$16,786,284
Equipment	\$119,611	
Less: accumulated amortization	(\$44,937)	\$74,674
Vehicles	\$5,915,764	
Less: accumulated amortization	(\$3,489,568)	\$2,426,196
<b>Total capital assets</b>	<b>\$19,799,988</b>	<b>\$20,309,146</b>
<b>TOTAL ASSETS</b>	<b>\$28,220,406</b>	<b>\$31,335,765</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,813,719	\$1,607,374
Deferred revenue	\$1,051,045	\$3,088,368
Deferred capital allocations	\$0	\$35,144
Current portion of all long term debt	\$976,059	\$1,024,164
<b>Total current liabilities</b>	<b>\$3,840,823</b>	<b>\$5,755,050</b>
School generated liabilities	\$435,026	\$459,634
Trust liabilities	\$564,341	\$612,514
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$8,421,251	\$9,445,416
Less: Current portion of supported debt	(\$976,059)	(\$1,024,164)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$7,809,097	\$7,529,591
<b>Total long term liabilities</b>	<b>\$16,253,656</b>	<b>\$17,022,991</b>
<b>TOTAL LIABILITIES</b>	<b>\$20,094,479</b>	<b>\$22,778,041</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$903,069	\$903,069
Operating Reserves	\$2,690,854	\$3,361,246
Accumulated Operating Surplus (Deficit)	\$3,593,923	\$4,264,315
Investment in capital assets	\$3,569,639	\$3,334,140
Capital Reserves	\$962,365	\$959,269
Total Capital Funds	\$4,532,004	\$4,293,409
<b>Total net assets</b>	<b>\$8,125,927</b>	<b>\$8,557,724</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$28,220,406</b>	<b>\$31,335,765</b>

**Note:** Input "(Restated)" in 2002 column heading where comparatives are not taken from the finalized 2001-2002 Audited Financial Statements.

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

	Actual 2003	Budget 2003	Actual 2002
<b>REVENUES</b>			
Alberta Learning	\$33,265,028	\$30,912,392	\$32,929,503
Alberta Infrastructure	\$3,309,663	\$3,145,676	\$1,861,463
Alberta Finance	\$1,517,433	\$1,883,826	\$1,699,322
Other Government of Alberta	\$10,000	\$89,644	\$155,191
Federal Government and/or First Nations	\$71,842	\$21,410	\$47,087
Other Alberta school authorities	\$15,722	\$0	\$3,402
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$14,210	\$14,500	\$14,210
Instruction resource fees	\$361,777	\$257,409	\$380,727
Transportation fees	\$100,376	\$108,000	\$106,067
Other sales and services	\$873,184	\$782,648	\$855,390
Investment income	\$503,836	\$251,040	\$348,458
Gifts and donations	\$3,849	\$0	\$12,574
Rentals of facilities	\$48,445	\$51,213	\$41,542
Net school generated funds	\$808,802	\$712,813	\$783,328
Gains on disposal of capital assets	\$11,702	\$2,000	\$5,990
Amortization of capital allocations	\$890,261	\$865,897	\$877,465
<b>Total Revenues</b>	<b>\$41,806,130</b>	<b>\$39,098,468</b>	<b>\$40,121,719</b>
<b>EXPENSES</b>			
Certificated salaries	\$17,296,872	\$15,662,228	\$15,984,401
Certificated benefits	\$2,297,702	\$2,055,800	\$1,902,668
Uncertificated salaries and wages	\$7,548,851	\$6,898,140	\$6,920,163
Uncertificated benefits	\$1,471,316	\$1,500,280	\$1,358,467
Services, contracts and supplies	\$9,978,886	\$9,138,096	\$9,446,798
Net school generated funds	\$808,802	\$712,813	\$783,328
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$890,261	\$865,897	\$889,056
Unsupported	\$420,049	\$408,909	\$379,486
<b>Total Amortization of capital assets</b>	<b>\$1,310,310</b>	<b>\$1,274,806</b>	<b>\$1,268,542</b>
Interest on capital debt			
Supported	\$1,517,432	\$1,883,826	\$1,699,322
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$1,517,432</b>	<b>\$1,883,826</b>	<b>\$1,699,322</b>
Other interest charges	\$3,455	\$12,682	\$4,247
Losses on disposal of capital assets	\$4,301	\$0	\$7,206
<b>Total Expenses</b>	<b>\$42,237,927</b>	<b>\$39,138,671</b>	<b>\$39,375,142</b>
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE FUNDING ALLOCATED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM</b>			
	(\$431,797)	(\$40,203)	\$746,577
Block BQRP revenue used for capital purposes	\$0	\$0	\$0
Block MOD revenue used for capital purposes	\$0	\$0	\$0
1999 One-time grant revenue used for capital purposes	\$0	\$0	\$0
Extraordinary Item	\$0	\$0	\$0
<b>SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES</b>	<b>(\$431,797)</b>	<b>(\$40,203)</b>	<b>\$746,577</b>

**Note:** Input "(Restated)" in Budget 2003 and/or Actuals 2002 column headings where comparatives are not taken from the respective finalized 2002-2003 Budget Report and/or finalized 2001-2002 Audited Financial Statements.

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

(in dollars)

	2003	2002
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Surplus (deficit) of revenues over expenses for the year	(\$431,797)	\$746,577
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$890,261)	(\$877,465)
Total amortization expense	\$1,310,310	\$1,268,542
Gains on disposal of capital assets	(\$11,702)	(\$5,990)
Losses on sale of capital assets	\$4,301	\$7,206
Changes in accrued accounts:		
Accounts receivable	\$94,624	\$1,652,745
Prepays and other current assets	\$159,816	(\$283,498)
Payables and accrued liabilities	\$206,345	\$272,658
Deferred revenue	(\$2,037,323)	\$316,714
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Operations</b>	<b>(\$1,595,687)</b>	<b>\$3,097,489</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$211,839)	(\$658,096)
Equipment	\$0	(\$79,819)
Vehicles	(\$595,362)	(\$529,160)
Net proceeds from disposal of capital assets	\$13,450	\$5,990
Other (describe)	\$0	\$0
<b>Total sources (uses) of cash from Investing activities</b>	<b>(\$793,751)</b>	<b>(\$1,261,085)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations received	\$110,459	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,024,165)	(\$1,088,158)
Add back: supported portion	\$1,024,164	\$1,088,158
Other (describe)	\$0	\$0
<b>Total sources (uses) from Financing activities</b>	<b>\$110,458</b>	<b>\$0</b>
<b>Net sources (uses) of cash equivalents* during year</b>	<b>(\$2,278,980)</b>	<b>\$1,836,404</b>
<b>Cash Equivalents at the beginning of the year</b>	<b>\$7,774,492</b>	<b>\$5,938,088</b>
<b>Cash Equivalents at the end of the year</b>	<b>\$5,495,512</b>	<b>\$7,774,492</b>

**Notes:** Cash equivalents consist of cash and temporary investments net of bank indebtedness.  
Input "(Restated)" in 2002 column heading where not taken from the finalized 2001-2002 Audited Financial Statements.

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the Year Ended August 31, 2003**  
(in dollars)

School Jurisdiction Code: 1175

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS  (Columns 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL RESTRICTED NET ASSETS  Columns 5 to 15	RESTRICTED NET ASSETS										
					School Based		Alberta Infrastructure		Board & System Admin.		Transportation		External Services		
					Unsupported Operating Reserves	Unsupported Capital Reserves	Unsupported O & M Operating Reserves	Supported School Capital Reserves	Unsupported Capital Reserves	Unsupported Operating Reserves	Unsupported Capital Reserves	Unsupported Operating Reserves	Unsupported Capital Reserves	Unsupported Operating Reserves	Unsupported Capital Reserves
<b>Balance at August 31, 2002</b>	\$8,557,724	\$3,334,140	\$903,069	\$4,320,515	\$2,512,553	\$0	\$41,141	\$0	\$99,213	\$226,889	\$244,596	\$123,603	\$615,460	\$457,060	\$0
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Adjusted Balance, Aug.31, 2002</b>	\$8,557,724	\$3,334,140	\$903,069	\$4,320,515	\$2,512,553	\$0	\$41,141	\$0	\$99,213	\$226,889	\$244,596	\$123,603	\$615,460	\$457,060	\$0
Surplus(def) of revenue over expenses	(\$431,797)		(\$431,797)												
Block BQRP funded capital transactions		\$0	\$0												
Block MOD funded capital transactions		\$0	\$0												
Board funded capital transactions		\$661,598	\$0	(\$661,598)	\$0	\$0	\$0		(\$32,505)	(\$66,236)	\$0	\$0	(\$562,857)	\$0	\$0
Donations of non-amortizable assets	\$0	\$0													
Amortization of capital assets		(\$1,310,310)	\$1,310,310												
Amortization of capital allocations		\$890,261	(\$890,261)												
Disposal of unsupported capital assets	\$0	(\$6,050)	\$6,050	\$0		\$0			\$0		\$0		\$0		\$0
Disposal of supported capital assets	\$0	\$0	\$0			\$0			\$0		\$0		\$0		\$0
Debt principal payments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$179,668)	\$179,668	\$12,845		\$3,578			\$31,083		\$132,162		\$0	
Net transfers from operating reserves			\$783,824	(\$783,824)	(\$390,089)		\$0			\$0		(\$209,125)		(\$184,610)	
Net transfers to capital reserves			(\$598,458)	\$598,458		\$0			\$35,601		\$0		\$562,857		\$0
Net transfers from capital reserves			\$0	\$0		\$0			\$0		\$0		\$0		\$0
<b>Balance at August 31, 2003</b>	\$8,125,927	\$3,569,639	\$903,069	\$3,653,219	\$2,135,309	\$0	\$44,719	\$0	\$102,309	\$191,736	\$244,596	\$46,640	\$615,460	\$272,450	\$0

**STATEMENT OF CAPITAL ALLOCATIONS  
(SUPPORTED CAPITAL FINANCING ONLY)  
for the Year Ended August 31, 2003  
(in dollars)**

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2002</b>	\$35,144	\$7,529,591
<b>Prior period adjustment</b>	\$0	
<b>Adjusted balance, August 31, 2002</b>	\$35,144	\$7,529,591
<b>Add:</b>		
<b>Capital allocations from:</b> AB Infrastructure - New/Modernization Projects	\$110,459	
Other Government of Alberta	\$0	
Federal Government and/or 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>Proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds</b>	\$0	
<b>Donated capital assets (depreciable, at Fair Market Value)</b>		\$0
<b>Transferred in capital assets (depreciable, at Net Book Value)</b>		\$0
<b>Current Year Debenture Principal Repayment</b>		\$1,024,164
<b>Expended capital allocations - current year</b>	(\$145,603)	\$145,603
<b>Less:</b>		
<b>Unamortized Capital Allocation affected by a disposal through transfer out</b>		\$0
<b>Capital allocations amortized to revenue</b>		\$890,261
<b>Balance at August 31, 2003</b>	\$0	\$7,809,097

**Note:** Input "(Restated)" beside Balance at August 31, 2002 where not taken from the finalized 2001-2002 Audited Financial Statements.



**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**1. AUTHORITY AND PURPOSE**

Pembina Hills Regional Division No. 7 delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002.

The jurisdiction receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the jurisdiction, within specified limits, to reallocate funding between the instruction and support blocks.

**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 Learning 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 judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared with 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 and 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 funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

## PEMBINA HILLS REGIONAL DIVISION NO. 7

Notes to the Financial Statements  
For the Year Ended August 31, 2003

### b) Capital Assets

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

Buildings	2.5% to 4%
Equipment & Furnishings	10% to 20%
Vehicles & Buses	10% to 20%

Only 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.

### c) 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 (eg. yearbook sales, graduation fees, field trip fees, etc.)

### d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit. Accumulated sick leave is not recorded as it is not paid to the employee if not taken.

### e) 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 contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Pembina Hills Regional Division No. 7 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$120,023 for the year ended August 31, 2003 (2002 = \$106,747). At December 31, 2002, the Local Authorities Pension Plan reported an actuarial deficiency of \$444,980,000 (2001 surplus of \$634,960,000).

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

f) Inventories

Inventories are recorded at the lesser of cost and estimated net realizable value.

g) 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.

h) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools within Pembina Hills Regional Division No. 7 to ensure that certain program are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

i) Financial Instruments

The jurisdiction's financial statements consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

k) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/01 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**3. ACCOUNTS RECEIVABLE**

	<u>2003</u>	<u>2002</u>
Provincial Government	\$813,165	\$737,538
Federal Government	92,702	149,813
Other Alberta School Jurisdictions	0	76,855
Alberta Municipalities	8,983	0
Due from Alberta Distance Learning Centre	0	108,908
Other	417,463	353,823
<b>Total</b>	<b><u>\$1,332,313</u></b>	<b><u>\$1,426,937</u></b>

**4. INVENTORIES**

	<u>2003</u>	<u>2002</u>
Cafeteria food and supplies	\$3,239	\$1,927
Bus garages parts and tires	242,333	227,228
Maintenance shops supplies	92,539	109,395
	<b><u>\$338,111</u></b>	<b><u>\$338,550</u></b>

**5. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2003 Net Book Value</u>	<u>2002 Net Book Value</u>
Land	\$512,834	\$0	\$512,834	\$512,834
Buildings	37,305,151	20,518,867	16,786,284	17,483,126
Equipment	119,611	44,937	74,674	98,597
Vehicles	5,915,764	3,489,568	2,426,196	2,214,589
	<b><u>\$43,853,360</u></b>	<b><u>\$24,053,372</u></b>	<b><u>\$19,799,988</u></b>	<b><u>\$20,309,146</u></b>

**6. BANK INDEBTEDNESS**

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2003.

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2003</u>	<u>2002</u>
Province of Alberta	\$802,655	\$606,416
Federal Government	7,826	4,919
Alberta Municipalities	0	0
Due from Alberta Distance Learning Centre	528,270	0
Other Trade Payables and Accrued Liabilities	474,968	996,039
	<u>\$1,813,719</u>	<u>\$1,607,374</u>

**8. DEFERRED REVENUE**

	<u>2003</u>	<u>2002</u>
Technology Integration Funding	\$40,660	\$24,204
One Time Grant Funding 1999	0	535,426
One Time Funding 2002-03	0	163,287
One Time Funding 2003-04 (Transportation)	64,800	0
One Time Funding 2003-04 (Operations & Maintenance)	67,633	0
First Nations, Metis & Inuit Education Funding	30,037	0
Alberta Initiative for School Improvement	0	159,119
Early Literacy Initiative	28,471	0
2003 BQRP	15,812	212,773
AMFC Dividend (to be used for increased energy costs)	0	209,199
Alberta Online Consortium - Funding and registration fees	756,764	1,719,531
Other	46,868	64,829
	<u>\$1,051,045</u>	<u>\$3,088,368</u>

**9. DEFERRED CAPITAL ALLOCATIONS**

Capital allocations received for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded. Details of the changes in the deferred capital allocations account are as follows:

	<u>2003</u>	<u>2002</u>
Beginning balance	\$35,144	\$693,239
Allocations received & receivable during the year	110,459	0
Transfers to Unamortized Capital Allocations (note #10)	(145,603)	(658,095)
	<u>\$0</u>	<u>\$35,144</u>

PEMBINA HILLS REGIONAL DIVISION NO. 7

Notes to the Financial Statements  
For the Year Ended August 31, 2003

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in capital assets (other than land and equipment) purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

	<u>2003</u>	<u>2002</u>
Balance, beginning of year	\$7,529,591	\$6,660,803
Additions: supported debenture principal repayments	1,024,164	1,088,158
Transfer from Deferred Capital Allocations (note 9)	145,603	658,095
Deductions: capital allocation revenue	(890,261)	(877,465)
Balance, end of year	<u>\$7,809,097</u>	<u>\$7,529,591</u>

11. TRUST ASSETS AND LIABILITIES

The following balances represent cash that is held in trust by the jurisdiction for the following areas:

	<u>2003</u>	<u>2002</u>
Aspen Student Health Initiative Partnership	\$471,648	\$529,207
Fort Assiniboine School - Playground project	15,616	20,000
Deferred Salary Leave	4,904	0
Endowment funds for scholarships	72,173	63,307
	<u>\$564,341</u>	<u>\$612,514</u>

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**12. LONG-TERM DEBT**

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount.

	<u>2003</u>	<u>2002</u>
Debentures	\$8,421,252	\$9,445,416
Less: current portion	976,059	1,024,164
Long term portion	<u>\$7,445,193</u>	<u>\$8,421,252</u>

Debenture payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003-2004	\$976,059	\$907,005	\$1,883,064
2004-2005	927,494	801,064	1,728,558
2005-2006	901,191	699,367	1,600,558
2006-2007	894,010	600,586	1,494,596
2007-2008	853,991	502,594	1,356,585
2008 to maturity	3,868,507	1,513,331	5,381,838
	<u>\$8,421,252</u>	<u>\$5,023,947</u>	<u>\$13,445,199</u>

**13. SCHOOL GENERATED FUNDS**

	<u>2003</u>	<u>2002</u>
Balance, Beginning of Year	\$459,634	\$476,622
Source of School Generated Funds (SGF)		
SGF for the year	1,109,619	1,112,205
Less: Costs of generating SGF	(363,140)	(388,811)
Donations received	37,715	42,946
Net SGF available for the year	<u>1,243,828</u>	<u>1,242,962</u>
Application of Net SGF		
Less: Net SGF expended for the year	<u>(808,802)</u>	<u>(783,328)</u>
Balance, End of Year	<u>\$435,026</u>	<u>\$459,634</u>

PEMBINA HILLS REGIONAL DIVISION NO. 7

Notes to the Financial Statements  
For the Year Ended August 31, 2003

14. UNRESTRICTED AND INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	<u>Balance, beginning of year</u>	<u>Appropriated during the year</u>	<u>Utilized during the year</u>	<u>Balance, end of year</u>
Unrestricted	\$903,069	\$0	\$0	\$903,069
<b>Internally Restricted:</b>				
<b>Operating Reserves</b>				
Schools	2,512,553	12,844	390,089	2,135,308
Operations and Maintenance	41,141	3,578	0	44,719
Board and System Administration	226,889	31,083	66,236	191,736
Transportation	123,603	132,162	209,125	46,640
External Services	457,060	0	184,610	272,450
	<u>3,361,246</u>	<u>179,667</u>	<u>850,060</u>	<u>2,690,853</u>
<b>Capital Reserves</b>				
Buildings (supported)	50,419	0	0	50,419
Equipment	244,596	0	0	244,596
Vehicles	664,254	598,458	595,361	667,351
	<u>959,269</u>	<u>598,458</u>	<u>595,361</u>	<u>962,366</u>
<b>Total Reserves</b>	<u>\$4,320,515</u>	<u>\$778,125</u>	<u>\$1,445,421</u>	<u>\$3,653,219</u>
<b>Total Unrestricted and Internally Restricted Net Assets</b>	<u>\$5,223,584</u>	<u>\$778,125</u>	<u>\$1,445,421</u>	<u>\$4,556,288</u>



**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**15. ALLOCATIONS FROM THE PROVINCE OF ALBERTA (Related Third Party Transactions)**

Allocations from the Province of Alberta are summarized as follows:

	<u>2003</u> <u>Actual</u>	<u>2003</u> <u>Budget</u>	<u>2002</u> <u>Actual</u>
Operating allocations:			
Alberta Learning	\$33,265,028	\$30,912,392	\$32,929,503
Alberta Infrastructure	3,309,663	3,145,676	1,861,463
Alberta Finance	1,517,433	1,883,826	1,699,322
Other Government of Alberta	10,000	89,644	155,191
	<u>\$38,102,124</u>	<u>\$36,031,538</u>	<u>\$36,645,479</u>

**16. TOTAL EXPENSES BY PROGRAM**

	<u>2003</u> <u>Actual</u>	<u>2003</u> <u>Budget</u>	<u>2002</u> <u>Actual</u>
Early childhood services	\$1,577,256	\$1,092,261	\$1,323,254
Student instruction	26,434,951	24,620,862	24,236,607
School generated funds	808,802	712,813	783,328
Operations & maintenance of schools	6,007,949	6,016,887	6,380,447
Student Transportation	4,177,504	4,256,713	3,894,745
Board and System Administration (see note below)	1,505,862	1,432,095	1,402,040
External services	1,697,132	1,007,040	1,354,721
	<u>\$42,209,456</u>	<u>\$39,138,671</u>	<u>\$39,375,142</u>

Note - Re: Board and System Administration expenses  
Effective June 2, 1997, Pembina Hills Regional Division No. 7 assumed responsibility for the operation of the Alberta Distance Learning Centre from the Department of Education. The Board and System Administration of Pembina Hills charge their subsidiary, ADLC, a management services fee to provide them with Board and System Administration services. The fee is calculated at 4% (2001/02 - 5%) of ADLC's revenue and is netted out of Pembina Hills' Board and System Administration expenses. For the year ended August 31, 2003, the management services fee amounted to \$315,253 which can be broken down as follows:

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

	<u>2003 (4%)</u>	<u>2002 (5%)</u>
Board governance fees	\$15,000	\$23,000
Benefits - board governance	4,000	5,000
Travel & board planning	0	5,000
Certificated salaries	107,588	140,000
Uncertificated salaries	118,000	183,000
Benefits - system administration	50,000	40,000
Services, contracts and supplies	20,665	31,273
	<u>\$315,253</u>	<u>\$427,273</u>

**17. VISTA VIRTUAL SCHOOL**

Pembina Hills Regional Division No. 7 operates a virtual school, known as the Vista Virtual School, under the authority of the School Act and contracts its subsidiary, the Alberta Distance Learning Centre, to provide the educational services for students registered. Pembina Hills' records the funding received from the virtual school and includes the student count in their jurisdiction count. The amount of funding transferred to ADLC is recorded as an expense to Pembina Hills. ADLC nets the amount transferred from Pembina Hills for the virtual school against their expenses.

For 2002/03 there were 624 funded students registered with Vista Virtual School. Many of the Vista Virtual students are in grades 11 and 12, returning to high school and taking only one (1) to two (2) courses each. Of the 624 funded funding Vista Virtual students in 2002/03, it is estimated that there was 264 core Full Time Equivalent students.

The total amount of funding transferred in 2002/03 from Pembina Hills to ADLC for the educational services of Vista Virtual students is as follows:

Certificated Salaries, Student Instruction	\$569,179
Certificated Benefits, Student Instruction	73,735
Contracts, Services & Supplies, Student Instruction	325,984
Certificated Salaries, School Admin. & Instruction Support	232,846
Certificated Benefits, School Admin. & Instruction Support	29,752
Uncertificated Salaries, School Admin. & Instruction Support	51,743
Uncertificated Benefits, School Admin. & Instruction Support	10,349
	<u>\$1,293,588</u>

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**18. DISCLOSURE OF SALARIES AND BENEFITS**

	No.	Salaries and Wages	Benefits/Allow./ ERIP's/Other	Total	Expenses
<b>Board of Trustees:</b>					
<i>Chairman</i>					
C. Jespersen	1	\$22,230	\$4,325	\$26,555	\$4,113
<i>Board Members</i>					
G. Borg	1	11,509	4,007	15,516	2,714
L. Hodge	1	14,207	291	14,498	3,196
M. Kubinec	1	11,864	3,991	15,855	2,225
K. Nagel	1	15,841	950	16,791	7,631
J. Venables	1	18,183	3,318	21,501	5,062
S. Volorney	1	18,183	1,604	19,787	3,526
<i>Superintendent</i>					
S. Schmold	1	115,365	51,382	166,747	5,227
<i>Secretary Treasurer</i>					
T. Meunier	1	89,544	14,020	103,564	3,297
Cert. Salaries	241	17,181,507	2,246,320	19,427,827	
Uncert. Salaries	333	7,347,290	1,438,809	8,786,099	
		<b>\$24,845,723</b>	<b>\$3,769,017</b>	<b>\$28,614,740</b>	

Note: - Re: Number of Employees

Number of certificated employees reported are full time equivalents as at September 30, 2002.

Number of uncertificated employees reported are total numbers as at September 30, 2002.

Note - Re: Salaries and Benefits for Trustees and designated System Administration:

Reported figures for Trustees and designated personnel include board and management services provided to ADLC (refer to note #16).

**19. ONE TIME GRANT REVENUE**

a) In 1999, Alberta Learning announced a One-Time Grant as a major investment in education. The jurisdiction's share of this One-Time funding was \$1,496,025. There is \$535,426 of these funds included in 2002/03 Revenue, listed under Alberta Learning - Other Revenue, representing the last of these funds available.

b) In the spring of 2003, Alberta Learning provided One Time funding to assist jurisdictions with rising fuel and other bus transportation cost pressures. To provide school boards maximum flexibility, boards will allowed to apply the funding to either the 2002/03 school year of the 2003/04 school year. Pembina Hills' portion of this One Time funding was \$64,800 and is included as deferred revenue (refer to Note 8).

**PEMBINA HILLS REGIONAL DIVISION NO. 7**

Notes to the Financial Statements  
For the Year Ended August 31, 2003

**19. ONE TIME GRANT REVENUE (cont.)**

- c) On June 19, 2003, the Minister of Finance announced that Alberta Infrastructure would receive an additional \$30 million for operations and maintenance in schools. Pembina Hills received \$267,371 of this funding to address cost pressures in Plant Operations and Maintenance for school buildings. While the funding was approved for the 2003/04 school year, school jurisdictions were given the option to allocate a portion of the additional funding to the 2002/03 school year to address cost pressures that could result in a deficit in their operating and maintenance block for 2002/03. Pembina Hills utilized \$199,738 of this one time funding in order to not encounter an operating deficit in 2002/03. The balance of the One Time Funding, \$67,633 will be utilized in 2003/04 and is included as deferred revenue (refer to Note 8).

**20. COMMITMENTS**

The School Division has no major commitments for the ensuing fiscal year.

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

Pembina Hills Regional Division No. 7's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

**22. BUDGET AMOUNTS**

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on June 12, 2002. It is presented for information purposes only and has not been audited.

**SCHEDULE A to the AFS  
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2002-200:**

School Jurisdiction Code: \_\_\_\_\_ 1175

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin.	
<b>Alberta Learning allocations</b>									
(1) Instruction block	\$23,919,343	\$1,576,109	\$22,343,234						
(2) Support block	\$5,642,048				\$4,166,342			\$1,475,706	
(3) Instruction & support block reallocations	\$0	(\$16,495)	\$63,127		(\$46,632)			\$0	\$0
(4) Alberta Initiative for School Improvement (AISII)	\$742,798	\$0	\$742,798						
(5) Student Health Initiative (SHI)	\$356,049	\$0	\$335,116						\$20,933
(6) Supernet Access	\$0		\$0					\$0	
(7) Teacher Salary Enhancement (TSE)	\$1,036,000	\$0	\$1,018,535					\$17,465	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0								\$0
(9) Regional Assessment Services (4 boards only)	\$0								\$0
(10) Other Alberta Learning revenues	\$1,568,790	\$0	\$535,426	\$0	\$0			\$0	\$1,033,364
<b>(11) Total Alberta Learning Revenue</b>	<b>\$33,265,028</b>	<b>\$1,559,614</b>	<b>\$25,038,236</b>	<b>\$0</b>	<b>\$4,119,710</b>			<b>\$1,493,171</b>	<b>\$1,054,297</b>
<b>Alberta Infrastructure</b>									
(12) Expensed Block Mod, Block BQRP support	\$196,961	\$0	\$0	\$196,961					
(13) Operations & Maintenance support	\$2,912,964			\$2,912,964					
(14) Operations & Maintenance support (One-Time)	\$199,738			\$199,738					
<b>(15) Total Alberta Infrastructure Revenue</b>	<b>\$3,309,663</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,309,663</b>					
<b>(16) Alberta Finance</b>	<b>\$1,517,433</b>			<b>\$1,517,433</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(17) Other - Government of Alberta</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(18) Federal Government and/or First Nations</b>	<b>\$71,842</b>	<b>\$0</b>	<b>\$71,842</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(19) Other Alberta school authorities</b>	<b>\$15,722</b>	<b>\$0</b>	<b>\$15,722</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(20) Out of province authorities</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(21) Alberta municipalities (excl. supplementary requisitions)</b>	<b>\$14,210</b>	<b>\$0</b>	<b>\$14,210</b>	<b>\$0</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(22) Instruction resource fees</b>	<b>\$361,777</b>	<b>\$17,645</b>	<b>\$344,132</b>						
<b>(23) Transportation fees</b>	<b>\$100,376</b>				<b>\$100,376</b>				
<b>(24) Other sales and services</b>	<b>\$873,184</b>	<b>\$0</b>	<b>\$342,987</b>	<b>\$1,179</b>	<b>\$67,903</b>			<b>\$3,462</b>	<b>\$457,653</b>
<b>(25) Investment income</b>	<b>\$503,836</b>	<b>\$0</b>	<b>\$226,255</b>	<b>\$245,861</b>	<b>\$2,505</b>			<b>\$28,643</b>	<b>\$572</b>
<b>(26) Gifts and donations</b>	<b>\$3,849</b>	<b>\$0</b>	<b>\$3,849</b>	<b>\$0</b>	<b>\$0</b>				<b>\$0</b>
<b>(27) Rentals of facilities</b>	<b>\$48,445</b>		<b>\$6,097</b>	<b>\$42,348</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>
<b>(28) Net school generated funds</b>	<b>\$808,802</b>		<b>\$808,802</b>					<b>\$0</b>	<b>\$0</b>
<b>(29) Gains on disposal of capital assets</b>	<b>\$11,702</b>		<b>\$0</b>	<b>\$1,204</b>	<b>\$10,498</b>			<b>\$0</b>	<b>\$0</b>
<b>(30) Amortization of capital allocations</b>	<b>\$890,261</b>		<b>\$0</b>	<b>\$890,261</b>	<b>\$0</b>				<b>\$0</b>
<b>(31) TOTAL REVENUES</b>	<b>\$41,806,130</b>	<b>\$1,577,259</b>	<b>\$26,882,132</b>	<b>\$6,007,949</b>	<b>\$4,300,992</b>			<b>\$1,525,276</b>	<b>\$1,512,522</b>
<b>EXPENSES</b>									
<b>(32) Certificated salaries</b>	<b>\$17,296,872</b>	<b>\$684,937</b>	<b>\$16,388,613</b>				<b>\$223,322</b>	<b>\$223,322</b>	<b>\$0</b>
<b>(33) Certificated benefits</b>	<b>\$2,297,702</b>	<b>\$67,096</b>	<b>\$2,194,935</b>				<b>\$35,671</b>	<b>\$35,671</b>	<b>\$0</b>
<b>(34) Uncertificated salaries and wages</b>	<b>\$7,548,851</b>	<b>\$500,003</b>	<b>\$3,842,683</b>	<b>\$518,404</b>	<b>\$1,756,787</b>	<b>\$97,017</b>	<b>\$517,447</b>	<b>\$614,464</b>	<b>\$316,510</b>
<b>(35) Uncertificated benefits</b>	<b>\$1,471,316</b>	<b>\$87,397</b>	<b>\$700,502</b>	<b>\$109,078</b>	<b>\$419,529</b>	<b>\$14,486</b>	<b>\$96,223</b>	<b>\$110,709</b>	<b>\$44,101</b>
<b>(36) SUB - TOTAL</b>	<b>\$28,614,741</b>	<b>\$1,339,433</b>	<b>\$23,126,733</b>	<b>\$627,482</b>	<b>\$2,176,316</b>	<b>\$111,503</b>	<b>\$872,663</b>	<b>\$984,166</b>	<b>\$360,611</b>
<b>(37) Services, contracts &amp; supplies</b>	<b>\$9,978,886</b>	<b>\$237,826</b>	<b>\$3,187,473</b>	<b>\$2,925,804</b>	<b>\$1,726,735</b>	<b>\$103,298</b>	<b>\$406,569</b>	<b>\$509,867</b>	<b>\$1,391,181</b>
<b>(38) Cost recoveries &amp; transfers (must balance to zero)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$137,469</b>	<b>\$0</b>	<b>(\$82,809)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$54,660)</b>
<b>(39) Net school generated funds</b>	<b>\$808,802</b>		<b>\$808,802</b>						
<b>Capital and debt services</b>									
Amortization of capital assets									
(40) Supported	\$890,261	\$0	\$0	\$890,261	\$0		\$0	\$0	\$0
(41) Unsupported	\$420,049	\$0	\$8,448	\$46,970	\$352,961	\$0	\$11,670	\$11,670	\$0
(42) Total Amortization	\$1,310,310	\$0	\$8,448	\$937,231	\$352,961	\$0	\$11,670	\$11,670	\$0
Interest on capital debt									
(43) Supported	\$1,517,432	\$0	\$0	\$1,517,432	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$3,455	\$0	\$3,296	\$0	\$0		\$159	\$159	\$0
(46) Losses on disposal of capital assets	\$4,301	\$0	\$0	\$0	\$4,301	\$0	\$0	\$0	\$0
<b>(47) TOTAL EXPENSES</b>	<b>\$42,237,927</b>	<b>\$1,577,259</b>	<b>\$27,272,221</b>	<b>\$6,007,949</b>	<b>\$4,177,504</b>	<b>\$214,801</b>	<b>\$1,291,061</b>	<b>\$1,505,862</b>	<b>\$1,697,132</b>
(48) Surplus(deficit) Before Funding Allocated for Capital Purposes	(\$431,797)	\$0	(\$390,089)	\$0	\$123,488			\$19,414	(\$184,610)
<b>Applicable student numbers/FTE equivalent</b>		318	4,385.0	4,544.0	3,314			4,544.0	
<b>AVERAGE PROGRAM COSTS per student</b>	\$0	\$4,960	\$6,219	\$1,322	\$1,261			\$331	

**SCHEDULE B1 to the AFS  
INSTRUCTION Grades 1 to 12 Program 2002-2003 Expenses**

EXPENSES	INSTRUCTION (Grades 1 to 12)							
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	Total Instruction (Grades 1 to 12)
Certificated salaries	\$13,414,105	\$1,158,044	\$184,554	\$783,085	\$204,185	\$493,888	\$150,752	\$16,388,613
Certificated benefits	\$1,863,493	\$150,752	\$17,282	\$89,364	\$16,952	\$30,623	\$26,469	\$2,194,935
Uncertificated salaries and wages	\$451,892	\$1,344,021	\$56,662	\$473,602	\$1,312,046	\$116,615	\$87,845	\$3,842,683
Uncertificated benefits	\$64,020	\$274,472	\$9,632	\$90,111	\$240,121	\$8,091	\$14,055	\$700,502
<b>SUB - TOTAL REMUNERATION</b>	\$15,793,510	\$2,927,289	\$268,130	\$1,436,162	\$1,773,304	\$649,217	\$279,121	\$23,126,733
Services, contracts & supplies	\$1,837,716	\$1,119,600	\$0	\$10,789	\$69,793	\$93,581	\$55,994	\$3,187,473
Cost recoveries & transfers	\$137,469	\$0	\$0	\$0	\$0	\$0	\$0	\$137,469
Net school generated funds	\$808,802							\$808,802
Amortization of capital assets								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$8,448	\$0					\$8,448
<b>Total Amortization</b>	\$0	\$8,448	\$0					\$8,448
Interest on capital debt								
Supported	\$0	\$0						\$0
Unsupported	\$0	\$0						\$0
Other interest charges	\$0	\$3,296						\$3,296
Losses on disposal of capital assets	\$0	\$0						\$0
<b>TOTAL EXPENSES</b>	\$18,577,497	\$4,058,633	\$268,130	\$1,446,951	\$1,843,097	\$742,798	\$335,115	\$27,272,221
FTE Certificated				12.6	3.2			
FTE Uncertificated				27.2	60.4			

**SCHEDULE B2 to the AFS  
INSTRUCTION Grades 1 to 12 Program 2002-2003 Details**

	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
<b>Basic Instruction</b>	\$19,447,751	\$2,544,629	\$1,499,764	\$63,127	\$23,555,271	\$19,376,473	\$4,178,798
School Admin & Instruction Support Expenses						\$4,058,633	(\$4,058,633)
System Instruction Support Expenses						\$268,130	(\$268,130)
<b>Total Basic Instruction</b>	\$19,447,751	\$2,544,629	\$1,499,764	\$63,127	\$23,555,271	\$23,703,236	(\$147,965)
<b>Sub-Programs &amp; Initiatives</b>							
Severely Disabled	\$1,495,486		\$0		\$1,495,486	\$1,843,097	(\$347,611)
English as a Second Language	\$48,778				\$48,778	\$50,829	(\$2,051)
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$46,078		\$0		\$46,078	\$46,078	\$0
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$642,018				\$642,018		\$642,018
Growth & Density	\$202,351				\$202,351		\$202,351
Teacher Assistants Program	\$82,194				\$82,194	\$129,801	(\$47,607)
Early Literacy Initiative (K-2)	\$117,698				\$117,698	\$117,698	\$0
Learning Resources Credit & Resources for the Classroom	\$41,460	\$87,246	\$344,132		\$472,838	\$1,143,216	(\$670,378)
Technology Integration	\$187,708		\$0		\$187,708	\$206,554	(\$18,846)
French Language Program & Francisation (all jurisdictions)	\$24,425		\$0		\$24,425	\$24,425	\$0
Home Education	\$7,287		\$0		\$7,287	\$7,287	\$0
<b>Total Sub-Programs &amp; Initiatives</b>	\$2,895,483		\$344,132		\$3,326,861	\$3,568,985	(\$242,124)
<b>INSTRUCTION, GRADES 1-12 (plus Early Lit. ECS)</b>	\$22,343,234	\$2,631,875	\$1,843,896	\$63,127	\$26,882,132	\$27,272,221	(\$390,089)

**SCHEDULE C to the AFS  
SUMMARY OF REVENUE TRANSFERS  
BETWEEN ALBERTA LEARNING BLOCK ALLOCATIONS - 2002-2003**

	Early Childhood Services	Instruction (Grades 1 to 12)	Operations and Maintenance	Transportation	Board and System Administration	External Services
<b>Alberta Learning block allocations - Schedule A (Lines 1 &amp; 2)</b>	\$1,576,109	\$22,343,234		\$4,166,342	\$1,475,706	
<b>Reallocations permitted by the "Funding for School Authorities" manual</b>						
From Instruction block to External Services		\$0				\$0
From ECS component of Instruction block to Transportation (part of the 2% maximum) (Note)	\$0			\$0		
From all or part of maximum 2% of Instruction block to Transportation		\$0		\$0		
<b>Calculation: 2% of \$23,919,343 = \$478,387 \$0</b>						
From Instruction block (Growth & Denisty component) to Transportation		\$0		\$0		
<b>Reallocations directed by the board of trustees</b>						
From Transportation block to Instruction		\$46,632		(\$46,632)		
From Board and System Administration block to:						
(1) Transportation				\$0	\$0	
(2) Instruction		\$0			\$0	
From within the Instruction block and its components:						
(1) Instruction to: Early childhood services (ECS)	\$0	\$0				
(2) ECS to: Instruction	(\$16,495)	\$16,495				
<b>AMOUNTS REFLECTED ON SCHEDULE A (Line 3)</b>	(\$16,495)	\$63,127		(\$46,632)	\$0	\$0

Note: Incremental ECS costs for transportation should normally be recorded as a cost recovery on Schedule A rather than as a revenue transfer on this schedule.

**SCHEDULE D to the AFS  
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR  
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2002-2003**

<b>STEP 1</b>	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
<b>Total Revenues (Schedule A):</b>	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$23,731,635
Support Block - Transportation	\$4,166,342
<b>SUBTOTAL</b>	<b>\$27,897,977</b>
<b>Other Revenues</b>	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$2,912,964
Teacher Salary Enhancement	\$1,036,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$10,000
Federal government/First Nations	\$71,842
Other Alberta school authorities	\$15,722
Out of province local authorities	\$0
Alberta municipalities	\$14,210
Other sales and services	\$873,184
Interest on investments	\$503,836
Rentals of facilities	\$48,445
Gains on disposal of capital assets	\$11,702
Amortization of capital allocations	\$890,261
<b>School generated funds (Schedule E)</b>	<b>\$1,109,619</b>
<b>BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMITS</b>	<b>\$35,395,762</b>
<b>STEP 2</b>	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and ov = 4%	<b>4.81%</b>
If "Total Net Enrolled Students" are 2,000 and le = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 -12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
<b>STEP 3</b>	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,702,536
<b>Considerations for Charter Schools and Francophone Boards:</b>	
If Charter School, enter 50,000	0
If Francophone Board, enter 330,000	0
(If none of these considerations apply, leave the above cells blank)	
<b>MAXIMUM EXPENSE LIMIT</b>	<b>\$1,702,536</b>
<b>STEP 4</b>	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,505,862
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$31,083
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
<b>TOTAL BOARD GOVERNANCE &amp; SYSTEM ADMINISTRATION EXPENSES</b>	<b>\$1,536,945</b>
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,702,536
<b>ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT</b>	<b>-\$165,591</b>



**SCHEDULE E to the AFS  
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2002-2003**

<b>Unexpended SGF - Opening Balance August 31, 2002</b> (Note 1)	\$459,634
<b>Source of School Generated Funds:</b>	
Total School Generated Funds for the year (Note 2)	\$1,109,619
Less: SGF - related cost recoveries (Note 3)	\$363,140
- capitalized at the District level (Note 4)	\$0
<b>Net Total</b>	<b>\$746,479</b>
Plus: Donations Received (Note 5)	\$37,715
<b>Equals: Net Additions to SGF</b>	<b>\$784,194</b>
<b>Net SGF Available for discretionary spending</b>	<b>\$1,243,828</b>
<b>Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39</b>	
Net expended SGF for discretionary purposes (Note 6)	\$808,802
<b>Unexpended SGF - Closing Balance August 31, 2003</b>	<b>\$435,026</b>
<p><b>Note 1</b> Input "(Restated)" beside Balance at August 31, 2002 where not taken from the finalized 2001-2002 Audited Financial Statements.</p> <p><b>Note 2</b> Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). This is the amount used to calculate the administrative cap. See Schedule E.</p> <p><b>Note 3</b> These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; cost of goods sold for school cafeteria/servery; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF. They are recorded as instruction resource fees.</p> <p><b>Note 4</b> All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.</p> <p><b>Note 5</b> Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.</p> <p><b>Note 6</b> Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.</p>	

**SCHEDULE F to the AFS  
Operations and Maintenance Program 2002-2003 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod/BQRP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$428,514	\$0	\$7,242	\$82,648	\$518,404		\$518,404
Uncertificated benefits	\$0	\$91,694	\$0	\$2,043	\$15,341	\$109,078		\$109,078
<b>Sub-total Remuneration</b>	\$0	\$520,208	\$0	\$9,285	\$97,989	\$627,482		\$627,482
Contracted Services	\$808,556	\$167,130	\$0	\$187,676	\$16,131	\$1,179,493		\$1,179,493
Supplies	\$58,581	\$521,662	\$0	\$0	\$7,752	\$587,995		\$587,995
Electricity			\$569,866			\$569,866		\$569,866
Natural Gas/Heating Fuel			\$408,808			\$408,808		\$408,808
Sewer and Water			\$49,336			\$49,336		\$49,336
Telecommunications			\$16,096			\$16,096		\$16,096
Insurance					\$114,210	\$114,210		\$114,210
Amortization of capital assets								
Supported							\$890,261	\$890,261
Unsupported						\$46,970		\$46,970
<b>Total Amortization</b>						\$46,970	\$890,261	\$937,231
Interest on capital debt								
Supported							\$1,517,432	\$1,517,432
Unsupported						\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
<b>TOTAL EXPENSES</b>	\$867,137	\$1,209,000	\$1,044,106	\$196,961	\$236,082	\$3,600,256	\$2,407,693	\$6,007,949
<b>SQUARE METRES</b>								
School Buildings								58,964.2
Non School Buildings								4,244.8

- Notes:**
- Custodial:** All expenses related to activities undertaken to keep the school environment clean and safe.
  - Maintenance:** All expenses associated with the repair, replacement 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.
  - Utilities & Telecommunications:** All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.
  - Expensed Block Mod/BQRP & Portable Relocations:** All expenses associated with non-capital activities related to Block Modernization, Building Quality Restoration Program and portable relocations.
  - Facility Planning & Operations Maintenance:** All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, BQRP, block modernization and portable relocations), 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.

**SCHEDULE G to the AFS  
DISCLOSURE OF SALARIES AND BENEFITS - 2002-2003  
(SECTION 148.1 OF THE SCHOOL ACT)**

	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
<b>Chairperson:</b>								
Name Clayton Jespersen	1.0	\$22,230	\$4,325	\$0	\$0	\$0	\$26,555	\$4,113
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Other Board Members:</b>								
Name Garry Borg	1.0	\$11,509	\$4,007	\$0	\$0	\$0	\$15,516	\$2,714
Name Laurie Hodge	1.0	\$14,207	\$291	\$0	\$0	\$0	\$14,498	\$3,196
Name Maureen Kubinec	1.0	\$11,864	\$3,991	\$0	\$0	\$0	\$15,855	\$2,225
Name Kenneth Nagel	1.0	\$15,841	\$950	\$0	\$0	\$0	\$16,791	\$7,631
Name Joyce Venables	1.0	\$18,183	\$3,318	\$0	\$0	\$0	\$21,501	\$5,062
Name Sharon Volorney	1.0	\$18,183	\$1,604	\$0	\$0	\$0	\$19,787	\$3,526
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>7.0</b>	<b>\$112,017</b>	<b>\$18,486</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$130,503</b>	<b>\$28,467</b>
Superintendent Siegfried Schmolz	1.0	\$115,365	\$8,120	\$43,262	\$0	\$0	\$166,747	\$5,227
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Tracy Meunier	1.0	\$89,544	\$14,020	\$0	\$0	\$0	\$103,564	\$3,297
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	241.2	\$17,181,507	\$2,094,151	\$0	\$0	\$152,169	\$19,427,827	
Uncertificated Salaries & Wages	333.1	\$7,347,290	\$1,410,632	\$0	\$0	\$28,178	\$8,786,100	
<b>TOTALS</b>		<b>\$24,845,723</b>	<b>\$3,545,409</b>	<b>\$43,262</b>	<b>\$0</b>	<b>\$180,347</b>	<b>\$28,614,741</b>	

Note: Please refer to completion information on page 15

**SCHEDULE G1 to the AFS**  
**DISCLOSURE OF SALARIES AND BENEFITS (SECTION 148.1 OF THE SCHOOL ACT)**  
**COMPLETION INFORMATION**

(1)	Salary and benefits consist of and agree with the amounts properly recorded in the school jurisdiction's payroll records and related object codes for salaries, wages and benefits.
(2)	<b>Remuneration</b> includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments <b>EXCEPTING TERMINATION BENEFITS</b> (See #10A below), any other direct cash remuneration <b>EXCEPTING PERFORMANCE PAY</b> (See #10 below).
(3)	Certificated salaries include the aggregate of all payments for certificated staff regardless of the length, nature or definition of the employment agreement. The number of full time equivalent (FTE) staff should be measured as at September 30.
(4)	Uncertificated salaries and wages should be measured in terms of the number of FTE staff employed as at September 30.
(5)	Salary and benefits information should be the aggregate amount covering the same fiscal period as the audited financial statements.
(6)	Salary must include deferred salary accruals.
(7)	Salary includes only payments for services subject to an employer-employee relationship.
(8)	<b>Benefits</b> include the employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pensions, Canada pension plan (CPP), employment insurance (EI), health care, dental coverage, vision coverage, out of country medical benefits, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans.
(9)	<b>Allowances</b> include all monies paid to an employee as miscellaneous <b>negotiated</b> allowances. This category will include car or travel allowances, isolation allowances, relocation expenses, sabbaticals, special leave with pay, financial and retirement planning services, and club memberships. <b>CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES</b> , as outlined in collective agreements, are included in <b>Remuneration</b> - NOT Allowances.
(10)	<b>Performance Bonuses</b> include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	<b>Other</b> includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	<b>Expenses</b> will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee <b>or on his/her behalf</b> in performing the responsibilities of employment.
(12)	The superintendent's position disclosure is in terms of one individual who is the Chief Executive Officer. Benefits for the superintendent do not include Alberta Learning contributions to the Teachers Retirement Fund pension plan.
(13)	The secretary-treasurer's position disclosure is in terms of one individual who is the Chief Financial Officer. If the board has not appointed one person to act as secretary-treasurer, then the disclosure is in terms of separate individuals appointed to the Board Treasurer and Board Secretary positions. Benefits for the secretary-treasurer include the Local Authorities Pension Plan contributions.
(13)	A position should include salary, benefits and allowances earned and expenses accrued by an individual who officially acted in a position while it was vacant or was appointed to the position. If a position was vacant and no one acted in the position, the position should not be disclosed.
(14)	Benefits and allowances need not include an amount for automobile, housing or other benefits for which a value cannot be reasonably estimated.
(15)	If a position is occupied by more than one individual during a year, each of those individual's specific expenses and salary, benefits and allowances earned by each of the individuals in the position need be disclosed separately.