

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2005**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

CLEARVIEW SCHOOL DIVISION #71

Legal Name of School Jurisdiction

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Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules CLEARVIEW SCHOOL DIVISION #71

(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	
PATTY DITTRICK	"ORIGINAL SIGNED"
Name	Signature

SUPERINTENDENT	
EGBERT STANG	"ORIGINAL SIGNED"
Name	Signature

SECRETARY TREASURER OR TREASURER	
GORDON MAJERAN	"ORIGINAL SIGNED"
Name	Signature

17-Nov-05

Board-approved Release Date

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AUDITORS' REPORT

To The Board of Trustees

Clearview School Division No. 71

We have audited the statement of financial position of the Clearview School Division No. 71 as at August 31, 2005 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 the school jurisdiction as at August 31, 2005 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

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.

Stettler, Alberta
October 27, 2005

Gitzel Krejci Dand Peterson
CHARTERED ACCOUNTANTS



Gitzel Krejci Dand Peterson
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2005

(in dollars)

		2005	2004
ASSETS			
Current assets			
Cash and temporary investments		\$4,216,165	\$2,823,492
Accounts receivable (net after allowances)		\$863,171	\$2,057,363
Prepaid expenses		\$172,712	\$187,955
Other current assets		\$239,447	\$177,245
Total current assets		\$5,491,495	\$5,246,055
School generated assets		\$206,387	\$169,075
Trust assets		\$290,902	\$845,819
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$1,208,174	\$1,237,696
Buildings	\$39,565,026		
Less: accumulated amortization	(\$15,073,470)	\$24,491,556	\$25,500,971
Equipment	\$2,347,486		
Less: accumulated amortization	(\$881,172)	\$1,466,314	\$1,406,311
Vehicles	\$5,596,777		
Less: accumulated amortization	(\$3,486,811)	\$2,109,966	\$1,905,930
Total capital assets		\$29,276,010	\$30,050,908
TOTAL ASSETS		\$35,264,794	\$36,311,857
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$1,669,555	\$1,163,578
Deferred revenue		\$498,450	\$322,980
Deferred capital allocations		\$71,154	\$152,323
Current portion of all long term debt		\$514,046	\$515,217
Total current liabilities		\$2,753,204	\$2,154,098
School generated liabilities		\$206,387	\$169,075
Trust liabilities		\$290,902	\$845,819
Employee future benefits liability			\$0
Long term payables and accrued liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$4,125,679	\$4,640,896
Less: Current portion of supported debt		(\$514,046)	(\$515,217)
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		\$20,256,701	\$20,774,615
Total long term liabilities		\$24,365,623	\$25,915,188
TOTAL LIABILITIES		\$27,118,828	\$28,069,286
NET ASSETS			
Unrestricted net assets		\$1,430,995	\$1,504,600
Operating Reserves		\$1,757,140	\$1,654,804
Accumulated Operating Surplus (Deficit)		\$3,188,135	\$3,159,404
Investment in capital assets		\$4,893,630	\$4,635,396
Capital Reserves		\$64,202	\$447,771
Total Capital Funds		\$4,957,832	\$5,083,167
Total net assets		\$8,145,967	\$8,242,571
TOTAL LIABILITIES AND NET ASSETS		\$35,264,794	\$36,311,857

Note: Input "(Restated)" in 2004 column heading where comparatives are not taken from the finalized 2003-2004 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2005

(in dollars)

	Actual 2005	Budget 2005	Actual 2004
REVENUES			
Government of Alberta	\$22,633,657	\$22,280,450	\$21,426,873
Federal Government and/or First Nations	\$2,596	\$4,800	\$1,652
Other Alberta school authorities	\$20,661	\$24,000	\$97,693
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities (excluding supplementary requisitions)	\$0	\$0	\$0
Instruction resource fees	\$148,001	\$139,270	\$181,835
Transportation fees	\$11,860	\$16,000	\$13,160
Other sales and services	\$494,385	\$281,380	\$385,198
Investment income	\$100,641	\$106,000	\$117,594
Gifts and donations	\$92,561	\$34,550	\$142,612
Rentals of facilities	\$44,432	\$38,000	\$43,045
Net school generated funds	\$286,348	\$200,000	\$201,575
Gains on disposal of capital assets	\$33,780	\$2,000	\$0
Amortization of capital allocations	\$1,381,481	\$1,374,260	\$1,013,047
Total Revenues	\$25,250,403	\$24,500,710	\$23,624,284
EXPENSES			
Certificated salaries	\$11,560,797	\$11,564,120	\$11,316,170
Certificated benefits	\$1,235,299	\$1,265,910	\$1,240,861
Uncertificated salaries and wages	\$4,460,684	\$4,238,750	\$4,298,213
Uncertificated benefits	\$754,808	\$721,760	\$743,060
Services, contracts and supplies	\$4,665,798	\$4,368,180	\$4,244,411
Net school generated funds	\$286,348	\$200,000	\$201,575
Capital and debt services			
Amortization of capital assets			
Supported	\$1,381,481	\$1,374,260	\$1,013,047
Unsupported	\$564,955	\$529,390	\$518,575
Total Amortization of capital assets	\$1,946,436	\$1,903,650	\$1,531,622
Interest on capital debt			
Supported	\$436,837	\$457,000	\$489,738
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$436,837	\$457,000	\$489,738
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$25,347,007	\$24,719,370	\$24,065,650
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$96,604)	(\$218,660)	(\$441,366)
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$96,604)	(\$218,660)	(\$441,366)

Note: Input "(Restated)" in Budget 2005 and/or Actuals 2004 column headings where comparatives are not taken from the respective finalized 2004-2005 Budget Report and/or finalized 2003-2004 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2005
(in dollars)

	2005	2004
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$96,604)	(\$441,366)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,381,481)	(\$1,013,047)
Total amortization expense	\$1,946,436	\$1,531,622
Gains on disposal of capital assets	(\$33,780)	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$1,194,192	(\$1,344,831)
Prepays and other current assets	(\$46,959)	\$13,967
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$505,977	(\$575,703)
Deferred revenue	\$175,470	(\$156,132)
Employee future benefit expense (recovery)	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$2,263,250	(\$1,985,490)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$317,180)	(\$2,070,757)
Equipment	(\$286,300)	(\$805,743)
Vehicles	(\$568,058)	(\$348,294)
Net proceeds from disposal of capital assets	\$33,780	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,137,758)	(\$3,224,794)
C. FINANCING ACTIVITIES		
Capital allocations	\$267,181	\$993,318
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$515,217)	(\$531,859)
Add back: supported portion	\$515,217	\$531,859
Other (describe)	\$0	\$0
Total sources (uses) of cash from Financing activities	\$267,181	\$993,318
Net sources (uses) of cash during year	\$1,392,673	(\$4,216,966)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/04	\$2,823,492	\$7,040,458
Cash and temporary investments, net of bank indebtedness, at Aug. 31/05	\$4,216,165	\$2,823,492

Note: 1 Input "(Restated)" in 2004 column heading where not taken from the finalized 2003-2004 Audited Financial Statements.
2 Cash and temporary investments are net of cash obligations.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2005**

School Jurisdiction 0052

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS Cols. 2+3+4	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL INTERNALLY RESTRICTED NET ASSETS Cols. 5 to 14	INTERNALLY RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Operating Reserves	Capital Reserves	O & M Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2004	\$8,242,571	\$4,635,396	\$1,504,600	\$2,102,575	\$683,669		\$844,689	\$0	\$125,129	\$0	\$1,317	\$447,771	\$0	\$0
Prior period adjustments (describe)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2004	\$8,242,571	\$4,635,396	\$1,504,600	\$2,102,575	\$683,669	\$0	\$844,689	\$0	\$125,129	\$0	\$1,317	\$447,771	\$0	\$0
Surplus(def) of revenue over expenses	(\$96,604)		(\$96,604)											
Board funded capital transactions		\$823,189	(\$439,620)	(\$383,569)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$383,569)	\$0	\$0
Direct credits to net assets	\$0	\$0												
Amortization of capital assets		(\$1,946,436)	\$1,946,436											
Amortization of capital allocations		\$1,381,481	(\$1,381,481)											
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Debt principal payments (unsupported)		\$0	\$0											
Net transfers to operating reserves			(\$103,653)	\$103,653	\$90,351		\$0		\$13,302		\$0			\$0
Net transfers from operating reserves			\$1,317	(\$1,317)	\$0		\$0		\$0		(\$1,317)			\$0
Net transfers to capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0
Balance at August 31, 2005	\$8,145,967	\$4,893,630	\$1,430,995	\$1,821,342	\$774,020	\$0	\$844,689	\$0	\$138,431	\$0	\$0	\$64,202	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2005
(in dollars)**

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 20	\$152,323	\$20,774,615
Prior period adjustment	\$0	\$0
Adjusted balance, August 31, 2004	\$152,323	\$20,774,615
Add:		
Capital allocations from: Infrastructure and Transportation-New/Modernization Projects	\$265,303	
Other Government of Alberta		
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$1,878	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (amortizable, at Fair Market Value)		\$0
Transferred in capital assets (amortizable, at Net Book Value)		\$0
Current Year Debenture Principal Repayment		\$515,217
Expended capital allocations - current year	(\$348,350)	\$348,350
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,381,481
Balance at August 31, 2005	\$71,154	\$20,256,701

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

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 School Division receives block allocations for instruction and support under Regulation 77/2003. The Regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support blocks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are the representations of management prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant 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.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted donations are recognized as revenue when received or receivable. Donations 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.

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

b. Inventories

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

c. Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided so as to amortize the cost of the asset over its useful life. The rates of amortization are as follows:

Buildings	- 2.5%-4% straight line
Equipment	- 20% straight line
Vehicles	- 10%-20% straight line

Only capital assets with costs in excess of \$5,000 are capitalized.

d. School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control/ownership of these funds rests with school jurisdiction officials or their appointee(s). These funds are usually collected and retained at the school for expenditures paid at the school level.

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 contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The school division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contribution of \$171,751 for the year ended August 31, 2005. At December 31, 2004, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,288,924,000 (2003 deficiency of \$1,453,487,000).

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

g. Contributed Services

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

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. Financial Instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable, deferred revenues and debenture debt. It is management's opinion that the division is not exposed to significant interest, currency or credit risks arising from these financial instruments and that their fair values approximate their carrying values, unless otherwise noted. 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, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3. ACCOUNTS RECEIVABLE

	2005	2004
	\$	\$
Alberta Education	22,575	182,917
Alberta Infrastructure and Transportation	424,237	1,504,174
Alberta Finance	146,837	167,011
Other Province of Alberta	3,800	5,347
Federal government	99,752	80,568
Other	<u>165,970</u>	<u>17,346</u>
	<u>863,171</u>	<u>2,057,363</u>

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

4. ACCOUNTS PAYABLE AND ACCRUALS

	2005	2004
	\$	\$
Alberta Education	61,132	15,138
Accrued interest on debenture	146,837	167,011
Accrued vacation pay and early retirement	83,872	93,087
Other trade payables and accrued liabilities	<u>1,377,713</u>	<u>888,342</u>
	<u><u>1,669,554</u></u>	<u><u>1,163,578</u></u>

5. DEFERRED REVENUE

	2005	2004
	\$	\$
IMP block funding	227,949	197,618
Other Alberta Education	20,683	-
AISI funding	80,606	47,774
Alberta Education Curriculum Initiative	60,000	-
Infrastructure Plant Operation and Maintenance Grant	32,903	-
Other	<u>76,309</u>	<u>77,588</u>
	<u><u>498,450</u></u>	<u><u>322,980</u></u>

6. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

7. LONG-TERM DEBT

The School Division has issued debentures to the Alberta Municipal Finance Corporation to finance construction of school buildings. Debentures mature from 2005 to 2020 and interest rates vary from 6.625% to 12%.

	2005	2004
	\$	\$
Debenture debt	4,125,679	4,640,896
Due within one year	<u>(514,046)</u>	<u>(515,217)</u>
	<u><u>3,611,633</u></u>	<u><u>4,125,679</u></u>

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

7. LONG-TERM DEBT - continued

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

	\$
2006 -	514,046
2007 -	514,046
2008 -	435,217
2009 -	395,742
2010 -	369,265
2011 to maturity -	1,897,363

The School Division's debentures are supported by payments from Alberta Finance. These support payments are not recorded as receivables before they are due. The effect of recording the corresponding debenture debt due within one year is to understate the working capital by the current portion of the debenture debt.

8. TRUST LIABILITIES

	2005	2004
	\$	\$
SHIP funds	-	577,103
Endowment funds for scholarships	<u>290,902</u>	<u>268,716</u>
	<u>290,902</u>	<u>845,819</u>

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

10. ECONOMIC DEPENDENCE

The school division's primary source of income is from the Alberta government. The Division's ability to continue viable operations is dependent on this funding.

CLEARVIEW SCHOOL DIVISION #71
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2005

11. RELATED PARTY TRANSACTIONS

During the year the school division entered into transactions with related parties as follows:

- a) The School Division received funding for operations from the Alberta government in the amount of \$22,633,657 (2004-\$21,426,873). In addition, Alberta government funding for capital projects totalled \$265,303 (2004-\$937,083).
- b) The School Division has debenture debt in the amount of \$4,125,679 (2004 – \$4,640,896) payable to the provincial government and the principal payments are supported through provincial government funding.
- c) The Alberta Teachers' Retirement Fund pension plan payments are paid by the provincial government directly to the plan on behalf of the division. The amount of these payments has not been disclosed to the division.

12. COMMITMENTS

Photocopier Leases - The School Division was committed to several photocopier leases as at August 31, 2005. The total lease payments including service contracts for these items in 2005 was \$85,285 (2004 - \$108,438).

13. BUDGET AMOUNTS

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on December 16, 2004. It is presented for information purposes only and has not been audited.

14. CONTINGENCIES

The School Division is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

SCHEDULE A to the AFS

School Jurisdiction Code 0052

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2004-2005

REVENUES	TOTAL	ECS to Grade 12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Admin.	External Services
(1) Alberta Education Revenues	\$20,564,802	\$16,318,499	\$776,339	\$2,454,546	\$1,015,418	\$0
Alberta Infrastructure and Transportation						
(2) Infrastructure Maintenance Program & Portable Relocations support	\$0	\$0				
(3) Regular Operations & Maintenance support	\$1,132,940		\$1,132,940			
(4) Other support	\$337,544	\$0	\$337,544			
(5) Total Alberta Infrastructure and Transportation Revenues	\$1,470,484	\$0	\$1,470,484			
(6) Alberta Finance	\$436,837		\$436,837			\$0
(7) Other - Government of Alberta	\$161,534	\$111,700	\$3,800	\$0	\$0	\$46,034
(8) Federal Government and/or First Nations	\$2,596	\$0	\$2,596	\$0	\$0	\$0
(9) Other Alberta school authorities	\$20,661	\$16,489	\$0	\$4,172	\$0	\$0
(10) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0
(11) Alberta municipalities (excl. supplementary requisitions)	\$0	\$0	\$0	\$0	\$0	\$0
(12) Instruction resource fees	\$148,001	\$148,001				
(13) Transportation fees	\$11,860			\$11,860		
(14) Other sales and services	\$494,385	\$352,615	\$5,371	\$117,722	\$18,677	\$0
(15) Investment income	\$100,641	\$95,163	\$0	\$0	\$5,478	\$0
(16) Gifts and donations	\$92,561	\$78,087	\$14,474	\$0		\$0
(17) Rentals of facilities	\$44,432	\$1,056	\$43,376	\$0	\$0	\$0
(18) Net school generated funds	\$286,348	\$286,348			\$0	
(19) Gains on disposal of capital assets	\$33,780		\$12,500	\$21,280	\$0	\$0
(20) Amortization of capital allocations	\$1,381,481	\$96,222	\$1,285,259	\$0		\$0
(21) TOTAL REVENUES	\$25,250,403	\$17,504,180	\$4,051,036	\$2,609,580	\$1,039,573	\$46,034
EXPENSES						
(22) Certificated salaries	\$11,560,797	\$11,328,328			\$232,469	\$0
(23) Certificated benefits	\$1,235,299	\$1,215,210			\$20,089	\$0
(24) Uncertificated salaries and wages	\$4,460,684	\$2,156,820	\$770,036	\$1,194,982	\$338,748	\$98
(25) Uncertificated benefits	\$754,808	\$385,895	\$168,498	\$121,735	\$78,676	\$4
(26) SUB - TOTAL	\$18,011,588	\$15,086,253	\$938,534	\$1,316,717	\$669,982	\$102
(27) Services, contracts & supplies	\$4,665,798	\$1,974,215	\$1,343,799	\$975,801	\$326,051	\$45,932
(28) Cost recoveries & charges to programs	\$0		\$0	\$0	\$0	\$0
(29) Net school generated funds	\$286,348	\$286,348				
Capital and debt services						
Amortization of capital assets						
(30) Supported	\$1,381,481	\$96,222	\$1,285,259	\$0	\$0	\$0
(31) Unsupported	\$564,955	\$124,893	\$46,607	\$363,217	\$30,238	\$0
(32) Total Amortization	\$1,946,436	\$221,115	\$1,331,866	\$363,217	\$30,238	\$0
Interest on capital debt						
(33) Supported	\$436,837	\$0	\$436,837	\$0	\$0	\$0
(34) Unsupported	\$0		\$0	\$0	\$0	\$0
(35) Other interest charges	\$0	\$0	\$0	\$0		\$0
(36) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
(37) TOTAL EXPENSES	\$25,347,007	\$17,567,931	\$4,051,036	\$2,655,735	\$1,026,271	\$46,034
(38) SURPLUS (DEFICIT) BEFORE EXTRAORDINARY ITEM	(\$96,604)	(\$63,751)	\$0	(\$46,155)	\$13,302	\$0

SCHEDULE B to the AFS
ALBERTA EDUCATION REVENUES 2004-2005

	TOTAL
Base Funding	
Early Childhood Services (ECS)	\$439,314
Base Instruction (Gr 1-12)	\$12,536,163
Outreach Programs	\$104,040
Home Education	\$1,241
Differential Cost Funding *	\$4,988,513
Other Provincial Support	
Institutional Programs	\$0
Regional Consortium (6 boards) and Regional Educational Consulting Services (4 boards)	\$0
Learning Resources Credit	\$26,018
Federal French Funding	\$2,621
Provincial Priority Targeted Funding	
Class Size Initiative	\$323,161
Student Health Initiative (SHI)	\$70,000
Alberta Initiative for School Improvement (AIS)	\$298,939
High Speed Networking	\$17,585
Children and Youth with Complex Needs	\$0
Other Alberta Education Revenues (describe): Admin-\$817742 Video Conf-\$160000 Microsoft 1X-\$3127 O&M-\$776339	\$1,757,208
Total Alberta Education Revenues	\$20,564,802

* Differential Cost Funding is based on distribution formulas designed to address variable cost factors and incremental costs associated with other variables and specific student populations. Included in differential cost funding are allocations for students with severe disabilities, English as a second language students, Francisation and support services for immigrant students, aboriginal students, gifted & talented early childhood services children and those with mild or moderate or severe disabilities, the percentage of the student population experiencing low socio-economic status, small schools by necessity, intra-jurisdiction distances, year to year enrolment fluctuations, small school board administration, schools located in the north, boarding, transportation, stabilization of funding, and cost differences among school jurisdictions for purchasing goods and services.

SCHEDULE C the AFS
ECS to Grade 12 INSTRUCTION PROGRAMS Expense Details - 2004-2005

SUB-PROGRAMS & INITIATIVES	ECS to GRADE 12 Instruction						
	Certificated Remuneration	Uncertificated Remuneration	Services, Contracts & Supplies ¹	Learning Resources	Cost Recoveries & Transfers	Other Expenses ²	TOTAL EXPENSES
School Administration & All Instruction Support	\$752,284	\$698,097	\$250,470		\$0	\$0	\$1,700,851
Mild & Moderate Disabilities/Gifted & Talented(ECS-12)	\$242,942	\$65,422	\$3,364		\$0		\$311,728
ECS Program Unit (PUF)	\$0	\$107,918	\$69,156		\$0		\$177,074
Severe Disabilities (Gr 1-12)	\$297,895	\$823,945	\$78,434		\$0		\$1,200,274
English as a Second Language		\$135,632	\$0		\$0		\$135,632
French Language Program & Francisation (all jurisdictions)	\$0	\$0	\$2,621		\$0		\$2,621
First Nations, Metis and Inuit Education(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
Home Education	\$0	\$0	\$1,354		\$0		\$1,354
Institutional Programs	\$0	\$0	\$0		\$0		\$0
Alberta Initiative for School Improvement	\$179,563	\$19,343	\$67,097	\$32,936	\$0		\$298,939
Student Health Initiative	\$0	\$70,000	\$0		\$0		\$70,000
High Speed Networking			\$131,443		\$0		\$131,443
Class Size	\$323,161	\$0	\$0	\$0	\$0		\$323,161
Children and Youth with Complex Needs(ECS - Gr 12)	\$0	\$0	\$0		\$0		\$0
All Other Student Instruction Expenses(ECS - Gr 12)	\$10,747,693	\$622,358	\$840,345	\$496,995	\$0	\$507,463	\$13,214,854
TOTAL EXPENSES	\$12,543,538	\$2,542,715	\$1,444,284	\$529,931	\$0	\$507,463	\$17,567,931

FULL-TIME-EQUIVALENCIES(Board/Contract)	FTE Certificated	FTE Uncertificated
Mild & Moderate Disabilities/Gifted & Talented (ECS - Gr 12)	3.2	4.0
ECS Program Unit (PUF)	0.0	7.8
Severe Disabilities (Gr 1-12)	3.7	32.9

Note 1 Excludes Learning Resources.

Note 2 Includes Net School Generated Funds, Amortization, Interest, and Losses on Disposal of Instruction Program Capital Assets.

**SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMIT FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION - 2004-2005**

TOTAL EXPENSES		\$25,347,007
STEP 1		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over	= 4%	5.79%
If "Total Net Enrolled Students" are 2,000 and less	= 6%	
<p>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.</p>		
STEP 2		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 1) x TOTAL EXPENSES		\$1,467,592
Considerations for Charter Schools and Small School Boards:		
If Charter School , enter \$56,100	\$0	\$0
If School Board , please enter your 04-05 Gr 1- 12 funded enrolment		
	\$0	\$0
MAXIMUM EXPENSE LIMIT		\$1,467,592
STEP 3		
Compare maximum expense limit amounts calculated in Step 2 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,026,271
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$13,302
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$1,039,573
MAXIMUM EXPENSE LIMIT		\$1,467,592
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$428,019

**SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2004-2005**

Unexpended SGF - Opening Balance August 31, 2004 (Note 1)			\$169,075
Source of Net School Generated Funds:			
	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$371,279	\$236,870	\$134,409
Student fees (Non-Instructional) (Note 2)	\$106,486		\$106,486
Donations and grants to schools	\$34,236		\$34,236
Other (describe): yearbooks, clothing, etc	\$48,529	\$0	\$48,529
Net Additions to SGF	\$560,530	\$236,870	\$323,660
Net SGF Available for Discretionary Spending			\$492,735
Application of Net School Generated Funds:			
Extra-curricular activities			\$113,575
School beautification			\$0
Field Trips			\$28,713
Equipment			\$0
Family literacy and other community resources			\$11,467
Other (describe): costs related to fees collected, yearbooks, clothing, books, cd/s,			\$132,593
Net SGF Expended for Discretionary Purposes (Note 3)			\$286,348
Unexpended SGF - Closing Balance August 31, 2005 (Note 4)			\$206,387
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include fees with respect to instructional supplies or materials collected pursuant to Section 60(2)(j) of the <i>School Act</i>, and any other funds collected at the school but remitted to central office and accounted for by the jurisdiction (facility rentals, capital assets purchases, etc.)</p>			
<p>Note 1 Input "(Restated)" beside Balance at August 31, 2004 where not taken from the finalized 2003-2004 Audited Financial Statements.</p>			
<p>Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees with respect to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Amounts collected for CEU-related activities are recorded as instruction resource fees, not SGF.</p>			
<p>Note 3 Net SGF Expended for Discretionary Purposes is recorded as revenue and expense in the Statement of Revenues & Expenses.</p>			
<p>Note 4 Unexpended SGF is carried forward to the Statement of Financial Position.</p>			

**SCHEDULE F to the AFS
Operations and Maintenance Program Expenses - 2004-2005**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed Mod./I.M.P. & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$578,062	\$106,074	\$0	\$0	\$85,900	\$770,036		\$770,036
Uncertificated benefits	\$129,716	\$23,936	\$0	\$0	\$14,846	\$168,498		\$168,498
Sub-total Remuneration	\$707,778	\$130,010	\$0	\$0	\$100,746	\$938,534		\$938,534
Contracted Services	\$4,028	\$76,991	\$0	\$337,544	\$3,237	\$421,800		\$421,800
Supplies	\$89,081	\$81,320	\$0	\$0	\$3,072	\$173,473		\$173,473
Electricity			\$404,260			\$404,260		\$404,260
Natural Gas/Heating Fuel			\$256,916			\$256,916		\$256,916
Sewer and Water			\$35,184			\$35,184		\$35,184
Telecommunications			\$6,042			\$6,042		\$6,042
Insurance					\$46,124	\$46,124		\$46,124
Amortization of capital assets								
Supported							\$1,285,259	\$1,285,259
Unsupported						\$46,607		\$46,607
Total Amortization						\$46,607	\$1,285,259	\$1,331,866
Interest on capital debt								
Supported							\$436,837	\$436,837
Unsupported				\$0		\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$800,887	\$288,321	\$702,402	\$337,544	\$153,179	\$2,328,940	\$1,722,096	\$4,051,036
SQUARE METRES								
School Buildings								38,561.3
Non School Buildings								2,900.0
UNCERTIFICATED FTE'S (Board/Contract)	16.6	2.0						

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/I.M.P. & Portable Relocations:** All expenses associated with non-capital activities related to Block Modernization, Infrastructure Maintenance Programs (AKA Building Quality Restoration Program) and 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 and contractors, administration of capital projects (including new schools, I.M.P., 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 - 2004-2005
(SECTION 148.1 OF THE SCHOOL ACT)**

	FTEs	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name	Patty Dittrick	1.0	\$20,225	\$3,374	\$0		\$23,599	\$7,150
Name		0.0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name	Ken Checkel	1.0	\$11,074	\$3,260	\$0		\$14,334	\$6,383
Name	Karen Holloway	1.0	\$13,468	\$3,089	\$0		\$16,557	\$7,844
Name	Dave Ellis	1.0	\$11,684	\$3,236	\$0		\$14,920	\$5,193
Name	John Schofer	1.0	\$7,078	\$3,036	\$0		\$10,114	\$3,040
Name	Ruth Marshall	1.0	\$10,781	\$1,620	\$0		\$12,401	\$5,000
Name	Yvette Cassidy	1.0	\$10,287	\$3,183	\$0		\$13,470	\$5,797
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Name		0.0	\$0	\$0	\$0		\$0	\$0
Subtotal		7.0	\$84,597	\$20,798	\$0		\$105,395	\$40,407
Superintendent	Egbert Stang	1.0	\$121,976	\$8,964	\$0	\$0	\$130,940	\$9,750
Superintendent		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	Gordon Majeran	1.0	\$82,575	\$16,109	\$0	\$0	\$98,684	\$4,993
Secretary/Treasurer		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer		0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries		159.2	\$11,438,821	\$1,226,335	\$0	\$0	\$12,665,156	
Uncertificated Salaries & Wages		223.0	\$4,293,512	\$717,900	\$0	\$0	\$5,011,412	
TOTALS			\$16,021,481	\$1,990,106	\$0	\$0	\$18,011,587	

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)	Remuneration includes regular base salaries, certificated school-based employee allowances outlined in collective agreements, overtime, honoraria, deferred salary leave accruals, lump sum payments EXCEPTING TERMINATION BENEFITS (See #10A below), any other direct cash remuneration EXCEPTING PERFORMANCE PAY (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)	Benefits 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)	Allowances include all monies paid to an employee as miscellaneous negotiated 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. CERTIFICATED SCHOOL-BASED EMPLOYEE ALLOWANCES , as outlined in collective agreements, are included in Remuneration - NOT Allowances.
(10)	Performance Bonuses include those monies paid to employees of the school authority that are tied to the achievement of some specified goal or objective.
(10A)	Other includes termination benefits ((severance pay, retiring allowances (ERIP's), sick leave and other settlement costs due to loss of employment).
(11)	Expenses will include the reimbursements of travel, subsistence, moving costs, conference fees, etc., paid by the employee or on his/her behalf 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.