



**BLACK GOLD REGIONAL DIVISION NO. 18
FINANCIAL STATEMENTS**

AUGUST 31, 2011

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Black Gold Regional Division No. 18

Legal Name of School Jurisdiction

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Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Black Gold Regional Division No. 18
presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for
their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance
with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility




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

External Auditors

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

Declaration of Management and Board Chairman

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

<p>BOARD CHAIR</p> <p><u>Sandra Koroll</u></p> <p>Name</p>	 <p>Signature</p>
<p>SUPERINTENDENT</p> <p><u>Norman Yanitski</u></p> <p>Name</p>	 <p>Signature</p>
<p>SECRETARY TREASURER OR TREASURER</p> <p><u>M. Ruth Andres</u></p> <p>Name</p>	 <p>Signature</p>

30-Nov-11

Board-approved Release Date

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Independent Auditors' Report

To the Board of Trustees of Black Gold Regional Division No.18:

We have audited the accompanying financial statements of Black Gold Regional Division No. 18, which comprise the statement of financial position as at August 31, 2011, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Black Gold Regional Division No. 18 as at August 31, 2011 and the results of its operations, cash flows, and changes in net assets and capital allocations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Leduc, Alberta

November 30, 2011



CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

		2011	2010
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$9,766,549	\$15,224,179
Accounts receivable (net after allowances)	(Note 4)	\$1,398,069	\$801,105
Prepaid expenses		\$176,797	\$428,764
Other current assets		\$302,125	\$298,470
Total current assets		\$11,643,540	\$16,752,518
School generated assets		\$872,846	\$893,362
Trust assets	(Note 5)	\$234,225	\$170,613
Long term accounts receivable		\$0	\$0
Long term investments	(Note 6)	\$7,207,635	\$4,074,921
Capital assets			
Land		\$2,394,945	\$2,394,945
Construction in progress		\$0	\$6,568,515
Buildings	\$112,217,082		
Less: accumulated amortization	(\$52,882,559)	\$59,334,523	\$53,476,961
Equipment	\$7,016,736		
Less: accumulated amortization	(\$4,213,013)	\$2,803,723	\$2,777,759
Vehicles	\$1,189,289		
Less: accumulated amortization	(\$636,507)	\$552,782	\$534,831
Total capital assets	(Note 7)	\$65,085,973	\$65,753,011
TOTAL ASSETS		\$85,044,219	\$87,644,425
LIABILITIES			
Current liabilities			
Bank indebtedness	(Note 8)	\$0	\$0
Accounts payable and accrued liabilities	(Note 9)	\$4,336,576	\$4,996,598
Deferred revenue	(Note 10)	\$686,130	\$1,009,605
Deferred capital allocations	(Note 12)	\$1,960,927	\$4,226,800
Current portion of long term debt		\$671,484	\$694,181
Total current liabilities		\$7,655,117	\$10,927,184
School generated liabilities		\$872,846	\$893,362
Trust liabilities	(Note 5)	\$234,225	\$170,613
Employee future benefit liabilities		\$131,200	\$105,600
Long term debt (Note 11)			
Supported: Debentures and other supported debt		\$1,440,518	\$2,134,699
Less: Current portion		(\$671,484)	(\$694,181)
Unsupported: Debentures and capital loans		\$0	\$0
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities		\$0	\$0
Unamortized capital allocations	(Note 13)	\$57,042,472	\$56,868,096
Total long term liabilities		\$59,049,777	\$59,478,189
TOTAL LIABILITIES		\$66,704,894	\$70,405,373
NET ASSETS			
Unrestricted net assets		\$466,327	\$482,817
Operating reserves		\$9,130,227	\$8,014,593
Accumulated operating surplus (deficit)		\$9,596,554	\$8,497,410
Investment in capital assets		\$6,602,983	\$6,750,216
Capital reserves		\$2,139,788	\$1,991,426
Total capital funds		\$8,742,771	\$8,741,642
Total net assets		\$18,339,325	\$17,239,052
TOTAL LIABILITIES AND NET ASSETS		\$85,044,219	\$87,644,425

Note: Please input "(Restated)" in 2010 column heading where comparatives are not taken from the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31, 2011

(in dollars)

	Actual 2011	Budget 2011	Actual 2010
REVENUES			
Government of Alberta	\$82,909,393	\$82,102,085	\$79,945,462
Federal Government and First Nations	\$29,321	\$116,000	\$185,654
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$1,274,961	\$1,211,150	\$1,207,276
Transportation fees	\$129,781	\$130,000	\$130,352
Other sales and services	\$414,202	\$255,333	\$366,769
Investment income	\$348,264	\$228,910	\$222,265
Gifts and donations	\$20,928	\$0	\$159,498
Rental of facilities	\$116,146	\$86,220	\$106,230
Gross school generated funds	\$3,112,562	\$2,839,044	\$2,860,138
Gains on disposal of capital assets	\$12,806	\$0	\$36,596
Amortization of capital allocations	\$3,176,165	\$3,236,105	\$3,108,854
Other revenue	\$0	\$0	\$0
Total Revenues	\$91,544,529	\$90,204,847	\$88,329,094
EXPENSES			
Certificated salaries	\$47,125,651	\$47,482,503	\$45,034,192
Certificated benefits	\$4,919,023	\$4,402,155	\$4,668,593
Non-certificated salaries and wages	\$13,348,530	\$13,211,733	\$12,540,374
Non-certificated benefits	\$3,188,624	\$3,133,922	\$2,888,778
Services, contracts and supplies	\$14,706,538	\$15,160,799	\$15,781,239
Gross school generated funds	\$3,112,562	\$2,839,044	\$2,860,138
Capital and debt services			
Amortization of capital assets			
Supported	\$3,176,165	\$3,236,105	\$3,108,854
Unsupported	\$677,959	\$693,829	\$711,398
Total Amortization of capital assets	\$3,854,124	\$3,929,934	\$3,820,252
Interest on capital debt			
Supported	\$172,446	\$172,445	\$243,867
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$172,446	\$172,445	\$243,867
Other interest and charges	\$16,758	\$0	\$3,259
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$90,444,256	\$90,332,535	\$87,840,692
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$1,100,273	(\$127,688)	\$488,402
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$1,100,273	(\$127,688)	\$488,402

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education. Budget 2011 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2011

(in dollars)

	2011	2010
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$1,100,273	\$488,402
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,176,165)	(\$3,108,854)
Total amortization expense	\$3,854,124	\$3,820,252
Gains on disposal of capital assets	(\$12,806)	(\$36,596)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$596,964)	\$227,808
Prepays and other current assets	\$248,312	(\$163,648)
Long term accounts receivable	\$0	\$36,800
Long term investments	(\$3,132,714)	\$1,947,386
Accounts payable and accrued liabilities	(\$660,022)	\$187,937
Deferred revenue	(\$323,475)	(\$885,168)
Employee future benefit liabilities	\$25,600	\$22,000
Other (describe) Net capital allocation/holdback, non-cash transactions	\$870,963	(\$104,016)
Total cash flows from Operations	(\$1,802,874)	\$2,432,303
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,346,385)	(\$7,234,394)
Equipment	(\$638,528)	(\$260,746)
Vehicles	(\$148,466)	(\$45,419)
Net proceeds from disposal of capital assets	\$25,844	\$39,138
Other (describe) Net holdback non-cash transactions	(\$784,743)	\$229,319
Total cash flows from Investing activities	(\$3,892,278)	(\$7,272,102)
C. FINANCING ACTIVITIES		
Capital allocations	\$323,742	\$9,712,254
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$694,181)	(\$787,021)
Add back: supported portion	\$694,181	\$787,021
Other (describe) Net capital allocations non-cash transactions	(\$86,220)	(\$125,303)
Total cash flows from financing activities	\$237,522	\$9,586,951
Net cash flows from during the year	(\$5,457,630)	\$4,747,152
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$15,224,179	\$10,477,027
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$9,766,549	\$15,224,179

Note: Please input "(Restated)" where Actual 2010 comparatives are not as presented in the finalized 2009/2010 Audited Financial Statements filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2011**

School Jurisdiction Code: 2245

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2010	\$17,239,052	\$6,750,216	\$482,817	\$8,014,593	\$1,991,426	\$4,582,652	\$529,975	\$1,472,076	\$1,044,278	\$878,432	\$417,173	\$955,950	\$0	\$125,483	\$0
<u>Prior period adjustments (describe)</u>															
	\$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
Adjusted Balance, Aug. 31, 2010	\$17,239,052	\$6,750,216	\$482,817	\$8,014,593	\$1,991,426	\$4,582,652	\$529,975	\$1,472,076	\$1,044,278	\$878,432	\$417,173	\$955,950	\$0	\$125,483	\$0
Excess (deficiency) of revenues over expenses	\$1,100,273		\$1,100,273												
Board funded capital additions		\$543,764	(\$61,169)	\$0	(\$482,595)	\$0	(\$167,287)	\$0	(\$247,515)	\$0	(\$67,793)	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$13,038)	(\$12,806)		\$25,844		\$4,000		\$21,844		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$3,854,124)	\$3,854,124												
Amortization of capital allocations		\$3,176,165	(\$3,176,165)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$1,704,875)	\$1,704,875		\$1,492,696		\$0		\$146,712		\$65,467		\$0	
Net transfers from operating reserves			\$589,241	(\$589,241)		(\$490,157)		(\$91,039)		\$0		(\$8,045)		\$0	
Net transfers to capital reserves			(\$605,113)		\$605,113		\$286,976		\$230,960		\$87,177				\$0
Net transfers from capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2011	\$18,339,325	\$6,602,983	\$466,327	\$9,130,227	\$2,139,788	\$5,585,191	\$653,664	\$1,381,037	\$1,049,567	\$1,025,144	\$436,557	\$1,013,372	\$0	\$125,483	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2011
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$4,226,800	\$56,868,096
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2010	\$4,226,800	\$56,868,096
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$279,208	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$44,534	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$66,745
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$694,181
Expended capital allocations - current year	(\$2,589,615)	\$2,589,615
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$3,176,165
Balance at August 31, 2011	\$1,960,927	\$57,042,472

* Infrastructure Maintenance Renewal (IMR) Program allocations are excluded from this Statement, since those allocations are not externally restricted to capital.

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. It is not taxable under Section 149(1) of the *Income Tax Act*.

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

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

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

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

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

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Grants received for construction and acquisition of capital assets are recognized as revenue on the same basis that the cost of the assets is amortized.

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.

School Generated Funds

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

2. Significant Accounting Policies (continued)

Long Term Investments

Long term GIC's are recorded at fair value, with changes to fair value recorded as investment income or loss.

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	5 to 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years
Computer Hardware and Software	5 years
Construction in Progress	not amortized

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

Vacation Pay

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

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 Black Gold Regional Division does not make pension contributions for certificated staff.

The Regional Division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$861,263 for the year ended August 31, 2011 (2010 - \$796,257). At December 31, 2010, the Local Authorities Pension Plan reported a deficiency of \$4,635,000,000 (2009 deficiency of \$3,999,000,000).

The Division is a member of the Supplemental Integrated Pension Plan (SiPP) and Supplementary Executive Retirement Program (SERP). The plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. There are four employees who are eligible to participate in the plan; all are currently participating.

Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2011, the recorded obligation is \$131,200 (2010 - \$105,600). The total expense recorded in the financial statements is \$59,222 (2010 - \$60,142).

2. Significant Accounting Policies (continued)

Financial Instruments

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, school generated assets and liabilities, trust assets and liabilities, long term investments, employee future benefit liabilities and long-term debt. It is management's opinion that the School Division 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.

(i) Held for trading

The Division has classified cash and temporary investments, school generated assets, trust assets and long term investments as held for trading. These instruments are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date.

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

(ii) Available for sale

The Division has not classified any financial assets as available for sale.

(iii) Loans and receivables

The Division has classified accounts receivable as loans and receivables. The assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date.

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

(iv) Held to maturity

The Division has not classified any financial assets as held to maturity.

2. Significant Accounting Policies (continued)

(v) Other financial liabilities

The Division has classified accounts payable and accrued liabilities, employee future benefit liabilities, school generated liabilities, trust liabilities and long term debt as other financial liabilities. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date.

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

Operating and Capital Reserves

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

Contributed Services

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

Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

Recent Accounting Pronouncements

With the introduction of International Financial Reporting Standards in Canada, government controlled SUCH sector entities (Schools, Universities, Colleges and Hospitals) are required to adopt either the current public sector accounting standards or the not-for-profit accounting standards with some modifications as set out in the Public Sector Accounting (PSA) Handbook. The Office of the Controller of the Alberta Treasury Board recommends that all SUCH sector entities adopt the current public sector accounting standards without reference to the not-for-profit standards. The adoption is effective the year ending August 31, 2013 with retroactive application and restatement for the prior school year. A note disclosure for the change of the accounting policy will be included in the AFS for the year ending August 31, 2012.

BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2011

3. Cash and Temporary Investments

	2011			2010		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents		\$6,743,297	\$6,743,297		\$4,197,764	\$4,197,764
Fixed-income securities						
Government of Canada, direct and guaranteed		3,000,000	3,023,252		11,000,000	11,026,415
Provincial, direct and guaranteed		0	0		0	0
Corporate		0	0		0	0
Municipal		0	0		0	0
Pooled investment funds		0	0		0	0
Total fixed-income securities		0	0		0	0
Total cash and temporary investments		\$9,743,297	\$9,766,549		\$15,197,764	\$15,224,179

Effective average yield of cash and cash equivalents is not disclosed as the information is confidential.

4. Accounts Receivable

	<u>2011</u>	<u>2010</u>
Alberta Education	\$ 749,028	\$ 313,193
Federal Government	190,980	226,724
Other	395,381	168,490
Alberta Finance	<u>62,680</u>	<u>92,698</u>
	<u>\$ 1,398,069</u>	<u>\$ 801,105</u>

5. Trust Assets and Trust Liabilities

Deferred Salary Leave Plan

The Black Gold Regional Division No. 18 has established a Deferred Salary Leave Plan, whereby eligible employees are able to, at their option; defer a portion of their salary. These funds are held in trust in separate bank accounts. At August 31, 2011 total funds in the plan were \$42,214 (2010 - \$63,229). There are currently two individuals that are contributing to this program.

Scholarship Trusts

The Division also manages trust funds which will be used to pay school scholarships. At August 31, 2011 total funds in trust were \$81,557 (2010 - \$77,534).

Student Health Partnership Trust

The Division is the banker board for the Leduc and Area Student Health Partnership. As of August 31, 2011, the Division held \$110,454 in trust for this initiative (2010 - \$29,850).



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6. Long Term Investments

	2011			2010		
	Average Effective (Market) Yield	Cost	Fair Value	Average Effective (Market) Yield	Cost	Fair Value
Fixed Income Securities						
Government of Canada, direct and guaranteed	3.06%	\$7,050,000	\$7,207,635	3.86%	\$4,050,000	\$4,074,921
Provincial, direct and guaranteed	%	0	0	%	0	0
Municipal	%	0	0	%	0	0
Corporate	%	0	0	%	0	0
Pooled investment funds	%	0	0	%	0	0
Total Fixed Income Securities	%	0	0	%	0	0
Equities						
Canadian	%	0	0	%	0	0
Foreign	%	0	0	%	0	0
Real Estate	%	0	0	%	0	0
Absolute return strategies	%	0	0	%	0	0
Total Equities	%	0	0	%	0	0
Total Long Term Investments	3.06%	\$7,050,000	\$7,207,635	3.86%	\$4,050,000	\$4,074,921

The following is the maturity structure based on the principal amount:

	2011	2010
1 to 5 years	100%	100%
6 to 10 years	-	-
11 to 20 years	-	-
Over 20 years	-	-
	100%	100%

BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
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7. Tangible capital assets

	Land	Construction In Progress - New Buildings	Buildings	Equipment - Computer Hardware & Software	Other Equipment	Vehicles	Total Aug. 31, 2011	Total Aug. 31, 2010
Historical Cost								
September 1, 2010	\$2,394,945	\$6,568,515	\$103,302,182	\$450,928	\$6,230,761	\$1,120,424	\$120,067,754	\$112,397,372
Additions	-	-	2,346,385	-	705,273	148,466	3,200,125	7,909,184
Transfers in (out)	-	(6,568,515)	6,568,515	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(370,226)	(79,601)	(449,827)	(238,802)
August 31, 2011	\$2,394,945	\$ -	\$112,217,082	\$450,928	\$6,565,808	\$1,189,289	\$122,818,053	\$120,067,754
Accumulated Amortization								
September 1, 2010	-	-	\$49,825,222	\$328,479	\$3,575,450	\$585,592	\$54,314,743	\$50,730,751
Amortization expense	-	-	3,057,337	50,133	626,841	119,813	3,854,124	3,820,252
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	(367,890)	(68,898)	(436,788)	(236,260)
August 31, 2011	-	-	\$52,882,559	\$378,612	\$3,834,401	\$636,507	\$57,732,079	\$54,314,743
Net Book Value at August 31, 2011								
	\$2,394,945	\$ -	\$59,334,523	\$72,316	\$2,731,407	\$552,782	\$65,085,973	\$65,753,011

BLACK GOLD REGIONAL DIVISION NO. 18
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8. Bank Indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000. There was no balance outstanding on the line of credit at August 31, 2011.

9. Accounts Payable and Accrued Liabilities

	<u>2011</u>	<u>2010</u>
Alberta Finance	\$ 62,680	\$ 92,698
Federal Government	965,981	913,478
Other Trade Payables and Accrued Liabilities	<u>3,307,915</u>	<u>3,990,422</u>
	<u>\$ 4,336,576</u>	<u>\$ 4,996,598</u>

10. Deferred Revenue

The following amounts have been deferred and will be recognized as income to match the expenditures as incurred.

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2010	ADD: 2010/2011 Restricted Funds Received/ Receivable	DEDUCT: 2010/2011 Restricted Funds Expended (Paid/Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2011
Alberta Education Restricted Operational Funding:	\$0	\$0	\$0	\$0	\$0
Alberta Initiative for School Improvement	\$3,487	\$1,190,406	(\$1,131,521))	\$0	\$62,372
Children and Youth with Complex Needs	\$20,571	\$58,863	(\$76,434)	\$0	\$3,000
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$290,221	\$1,508,797	(\$1,558,679)	\$11,960	\$252,299
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$629,813	\$310,547	(\$655,471)	\$3,593	\$288,482
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Other Deferred Revenue:	\$0	\$0	\$0	\$0	\$0
Transportation Revenue & Other	\$65,513	\$79,978	(\$65,514)	\$0	\$79,977
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0
Total	\$1,009,605	\$3,148,591	(\$3,487,619)	\$15,553	\$686,130

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11. Long Term Debt

Debenture Debt - Supported

The debenture debt bears interest at rates varying between 8.375% and 12%. Interest paid on long-term debt during 2011 was \$202,464 (2010 - \$278,696).

Debenture payments due over the next five years are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011 - 2012	\$ 671,484	\$ 136,665	\$ 808,149
2012 - 2013	456,734	73,589	530,323
2013 - 2014	213,203	30,659	243,862
2014 - 2015	99,097	9,662	108,759
2015 - 2016	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,440,518</u>	<u>\$ 250,575</u>	<u>\$ 1,691,093</u>

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 \$671,483.

12. 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 Division, 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.

13. 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. Since the receipt of the funding does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position.

14. Contingencies

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

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15. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta.

All related-party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	Balances		Transactions	
	Assets	Liabilities	Revenues	Expenses
Government of Alberta:				
Education	\$ 780,602	\$2,016,234	\$82,330,510	\$250,807
Finance	62,680	1,503,198	172,445	183,622
Other Gov't of Alberta departments	-	-	352,380	-
Other:				
Post-secondary institutions	-	1,671	54,057	416
Other Alberta school jurisdictions	-	-	-	179,970
TOTAL 2010-2011	\$ 843,282	\$3,521,103	\$82,909,392	\$614,815
TOTAL 2009-2010	\$ 452,040	\$6,893,650	\$79,945,462	\$754,346

16. Budget Amounts

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

17. Economic Dependence on Related Third Party

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

BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
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18. Disclosure of Salaries and Benefits

The remuneration disclosed includes both the taxable and non-taxable portion of trustees' remuneration.

Board Members:	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Sandra Koroll	1.0	\$24,734	\$1,378	\$0			\$9,311
Lori Bauckman	1.0	\$17,952	\$4,422	\$0			\$6,257
Rebecca Ellander	1.0	\$17,544	\$4,419	\$0			\$7,230
Sam Kobeluck	1.0	\$20,529	\$4,704	\$0			\$12,863
Johnette Lemke	1.0	\$17,169	\$5,127	\$0			\$6,754
Barb Martinson	1.0	\$25,289	\$5,360	\$0			\$8,932
Lorna Misselbrook	1.0	\$21,659	\$5,261	\$0			\$5,730
Kirk Popik	0.0	\$1,188	\$143	\$0			\$146
Christine Robertson	0.0	\$1,980	\$790	\$0			\$126
	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	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
	0.0	\$0	\$0	\$0			\$0
Subtotal	7.0	\$148,044	\$31,604	\$0			\$57,349
Norman Yanitski	1.0	\$173,730	\$29,313	\$0	\$0	\$0	\$12,045
M. Ruth Andres	1.0	\$150,566	\$38,181	\$0	\$0	\$0	\$9,134
Certificated Teachers	528.2	\$46,951,921	\$4,889,710	\$0	\$0	\$0	
Non-certificated - Other	349.5	\$13,049,920	\$3,118,839	\$0	\$0	\$0	
TOTALS		\$60,474,181	\$8,107,647	\$0	\$0	\$0	

19. Comparative figures

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