

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

AUGUST 31, 2013

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2012 and AUGUST 31, 2013**
[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

Telephone - 780-955-6025; Fax - 780-955-6050

Telephone & Fax Numbers, and Email Address

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 Canadian Public Sector Accounting Standards 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, results of operations and cash flows for the year in accordance with Canadian Public Sector Accounting Standards.

BOARD CHAIR	
<p style="text-align: center;"><u>Johnette Lemke</u> Name</p>	<p style="text-align: center;"> Signature</p>
SUPERINTENDENT	
<p style="text-align: center;"><u>Norman Yanitski</u> Name</p>	<p style="text-align: center;"> Signature</p>
SECRETARY-TREASURER OR TREASURER	
<p style="text-align: center;"><u>M. Ruth Andres</u> Name</p>	<p style="text-align: center;"> Signature</p>

November 27, 2013
Board-approved Release Date

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
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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 statements of financial position as at August 31, 2013, August 31, 2012 and September 1, 2011, and the statements of operations, cash flows, change in net financial assets (net debt) and remeasurement gains and losses, and schedules of changes in accumulated surplus, capital revenue and program operations for the years ended August 31, 2013 and August 31, 2012, 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 Public Sector Accounting Standards, 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 audits. We conducted our audits 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, 2013, August 31, 2012 and September 1, 2011 and the results of its operations, cash flows, and changes in net debt for the years ended August 31, 2013 and August 31, 2012 in accordance with Public Sector Accounting Standards.

Leduc, Alberta
November 27, 2013

MNP LLP
Chartered Accountants

STATEMENTS OF FINANCIAL POSITION
As at (in dollars)

	August 31		September 1
	2013	2012 Restated	2011 Restated
FINANCIAL ASSETS			
Cash and cash equivalents (Note 4)	\$10,104,516	\$8,283,349	\$7,542,464
Accounts receivable (net after allowances) (Note 5)	\$2,051,330	\$2,789,507	\$2,838,587
Portfolio investments (Note 6)	\$6,046,987	\$7,091,835	\$10,230,887
Other financial assets	\$0	\$0	\$0
Total financial assets	\$18,202,833	\$18,164,691	\$20,611,938
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$3,919,617	\$4,896,402	\$4,336,576
Deferred revenue (Note 8)	\$69,402,879	\$58,132,777	\$60,888,441
Employee future benefit liabilities (Note 9)	\$220,167	\$225,472	\$192,300
Other liabilities	\$0	\$0	\$0
Debt (Note 10)			
Supported: Debentures and other supported debt	\$312,300	\$769,034	\$1,440,518
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Total liabilities	\$73,854,963	\$64,023,685	\$66,857,835
Net financial assets (debt)	(\$55,652,130)	(\$45,858,994)	(\$46,245,897)
NON-FINANCIAL ASSETS			
Tangible capital assets (Note 11)			
Land	\$2,394,945	\$2,394,945	\$2,394,945
Construction in progress	\$14,098,337	\$0	\$0
Buildings	\$114,853,532		
Less: Accumulated amortization (\$59,417,725)	\$55,435,807	\$58,300,985	\$59,334,523
Equipment	\$7,182,094		
Less: Accumulated amortization (\$4,558,567)	\$2,623,527	\$2,918,556	\$2,731,407
Vehicles	\$1,254,869		
Less: Accumulated amortization (\$803,967)	\$450,902	\$457,423	\$552,782
Computer Equipment	\$1,052,374		
Less: Accumulated amortization (\$480,386)	\$571,988	(\$411,700)	(\$378,612)
Total tangible capital assets	\$75,575,506	\$64,289,126	\$65,085,973
Prepaid expenses	\$191,341	\$277,789	\$176,797
Other non-financial assets	\$272,298	\$298,693	\$302,125
Total non-financial assets	\$76,039,145	\$64,865,608	\$65,564,895
Accumulated surplus (Note 12)	\$20,387,015	\$19,006,614	\$19,318,998
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$20,387,015	\$19,006,614	\$19,318,998
Accumulated remeasurement gains (losses)	\$0	\$0	\$0
	\$20,387,015	\$19,006,614	\$19,318,998
Contractual obligations (Note 13)			
Contingent liabilities (Note 14)			

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF OPERATIONS
For the Years Ended August 31 (in dollars)

	Budget 2013	Actual 2013	Actual 2012 Restated
REVENUES			
Alberta Education	\$95,450,584	\$95,679,168	\$93,649,031
Other - Government of Alberta	\$386,487	\$417,656	\$537,594
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$2,318	\$3,854
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees (Note 15)	\$3,022,918	\$2,754,531	\$2,896,274
Other sales and services	\$402,130	\$1,167,351	\$902,202
Investment income	\$230,103	\$298,124	\$345,900
Gifts and donations	\$100,000	\$161,929	\$167,052
Rental of facilities	\$96,100	\$87,089	\$99,015
Fundraising	\$1,500,000	\$1,809,042	\$1,501,981
Gains (losses) on disposal of capital assets	\$0	\$3,885	\$16,746
Other revenue	\$0	\$0	\$0
Total revenues	\$101,188,322	\$102,381,093	\$100,119,649
EXPENSES			
Instruction	\$81,516,318	\$80,751,923	\$80,075,432
Plant operations and maintenance	\$12,563,178	\$12,440,785	\$12,917,454
Transportation	\$4,068,349	\$3,907,445	\$3,848,845
Administration	\$3,334,641	\$3,439,365	\$3,167,552
External services	\$373,671	\$461,174	\$422,750
Total expenses	\$101,856,157	\$101,000,692	\$100,432,033
Operating surplus (deficit)	(\$667,835)	\$1,380,401	(\$312,384)

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF CASH FLOWS
For the Years Ended August 31 (in dollars)

	2013	2012 Restated
CASH FLOWS FROM:		
A. OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$1,380,401	(\$312,384)
Add (Deduct) items not affecting cash:		
Total amortization expense	\$4,149,692	\$4,135,333
Gains on disposal of tangible capital assets	(\$3,885)	(\$16,746)
Losses on disposal of tangible capital assets	\$4,160	\$556
Changes in:		
Accounts receivable	\$738,177	\$49,080
Prepays	\$86,448	(\$100,991)
Other financial assets	\$0	\$0
Non-financial assets	\$26,395	\$3,432
Accounts payable and accrued liabilities	(\$976,785)	\$559,826
Deferred revenue (Excluding EDCR)	(\$3,016,348)	(\$3,097,756)
Employee future benefit liabilities	(\$5,305)	\$33,172
Other (describe) <small>Net Capital accounts payable non-cash transactions</small>	\$843,325	(\$516,019)
Total cash flows from operating transactions	\$3,226,275	\$737,503
B. CAPITAL TRANSACTIONS		
Purchases of tangible capital assets		
Land	\$0	\$0
Buildings	(\$421,521)	(\$2,510,677)
Equipment	(\$186,876)	(\$468,786)
Vehicles	(\$123,543)	(\$35,682)
Computer equipment	(\$423,457)	\$0
Net proceeds from disposal of unsupported capital assets	\$5,500	\$34,940
Other (describe) <small>Net Capital accounts payable non-cash transactions</small>	(\$843,325)	\$516,019
Total cash flows from capital transactions	(\$1,993,222)	(\$2,464,186)
C. INVESTING TRANSACTIONS		
Changes in portfolio investments	\$1,044,848	\$3,139,052
Remeasurement gains (losses) reclassified to the statement of operations	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from investing transactions	\$1,044,848	\$3,139,052
D. FINANCING TRANSACTIONS		
Issue of debt	\$0	\$0
Repayment of debt	(\$456,734)	(\$671,484)
Other (describe)	\$0	\$0
Total cash flows from financing transactions	(\$456,734)	(\$671,484)
Increase (decrease) in cash and cash equivalents	\$1,821,167	\$740,885
Cash and cash equivalents, at beginning of year	\$8,283,349	\$7,542,464
Cash and cash equivalents, at end of year	\$10,104,516	\$8,283,349

The accompanying notes and schedules are part of these financial statements.

STATEMENTS OF CHANGE IN NET FINANCIAL ASSETS (NET DEBT)

For the Years Ended August 31 (in dollars)

	2013	2012
Operating surplus (deficit)	\$1,380,401	(\$312,384)
Effect of changes in tangible capital assets		
Aquisition of tangible capital assets	(\$15,441,847)	(\$3,637,100)
Amortization of tangible capital assets	\$4,149,692	\$4,135,333
Net carrying value of tangible capital assets disposed of	\$5,775	\$298,614
Write-down carrying value of tangible capital assets	\$0	\$0
Total effect of changes in tangible capital assets	(\$11,286,380)	\$796,847
Changes in:		
Prepaid expenses	\$86,448	(\$100,991)
Other non-financial assets	\$26,395	\$3,431
Net remeasurement gains and (losses)	\$0	\$0
Endowments	\$0	\$0
Increase (decrease) in net financial assets (net debt)	(\$9,793,136)	\$386,903
Net financial assets (net debt) at beginning of year	(\$45,858,994)	(\$46,245,897)
Net financial assets (net debt) at end of year	(\$55,652,130)	(\$45,858,994)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended August 31, 2013 (in dollars)

	2013
Opening accumulated remeasurement gains and (losses) upon adoption on September 1, 2012	\$0
Unrealized gains (losses) attributable to:	
Portfolio investments	\$0
Other	\$0
Amounts reclassified to the statement of operations:	
Portfolio investments	
Other	\$0
Net remeasurement gains (losses) for the year	\$0
Accumulated remeasurement gains (losses) at end of year	\$0

The accompanying notes and schedules are part of these financial statements.

SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013 (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2012	\$18,066,335	\$0	\$18,066,335	\$6,846,273	\$0	\$570,687	\$8,377,401	\$2,271,974
Prior period adjustments:								
Restate Funded Assets as non-funded	\$244,932	\$0	\$244,932	\$244,932	\$0	\$0	\$0	\$0
SGF Non Restricted Revenue	\$748,462	\$0	\$748,462	\$0	\$0	\$0	\$748,462	\$0
Restate Funded Purchase	\$14,885	\$0	\$14,885	\$14,885	\$0		\$0	\$0
Employee Future Benefit Adjustment	(\$68,000)	\$0	(\$68,000)	\$0	\$0	(\$68,000)	\$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, 2012	\$19,006,614	\$0	\$19,006,614	\$7,106,090	\$0	\$502,687	\$9,125,863	\$2,271,974
Operating surplus (deficit)	\$1,380,401		\$1,380,401			\$1,380,401		
Board funded tangible capital asset additions				\$861,485		(\$51,952)	(\$549,286)	(\$260,247)
Disposal of unsupported tangible capital assets	\$0		\$0	(\$5,775)		\$1,893		\$3,882
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$4,149,692)		\$4,149,692		
Capital revenue recognized	\$0			\$3,360,310		(\$3,360,310)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					(\$1,675,112)	\$1,675,112	
Net transfers from operating reserves	\$0					\$307,439	(\$307,439)	
Net transfers to capital reserves	\$0					(\$618,396)		\$618,396
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$20,387,015	\$0	\$20,387,015	\$7,172,418	\$0	\$636,342	\$9,944,250	\$2,634,005

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2013** (in dollars)

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	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
Balance at August 31, 2012	\$5,265,603	\$818,901	\$921,655	\$805,585	\$1,051,288	\$418,339	\$1,013,372	\$229,149	\$125,483	\$0
Prior period adjustments:										
Restate Funded Assets as non-funded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SGF Non Restricted Revenue	\$748,462	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Restate Funded Purchase		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Future Benefit Adjustment	\$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
Adjusted Balance, Aug. 31, 2012	\$6,014,065	\$818,901	\$921,655	\$805,585	\$1,051,288	\$418,339	\$1,013,372	\$229,149	\$125,483	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	(\$93,824)	(\$25,682)	\$0	(\$226,402)	(\$455,462)	(\$8,163)	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$0		\$3,882		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$1,453,194		\$0		\$29,902		\$192,016		\$0	
Net transfers from operating reserves	(\$730,794)		(\$188,858)		\$612,213		\$0		\$0	
Net transfers to capital reserves		\$291,332		\$274,116		\$52,948		\$0		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2013	\$6,642,641	\$1,084,551	\$732,797	\$857,181	\$1,237,941	\$463,124	\$1,205,388	\$229,149	\$125,483	\$0

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012** (in dollars)

	ACCUMULATED SURPLUS	ACCUMULATED REMEASUREMENT GAINS (LOSSES)	ACCUMULATED OPERATING SURPLUS	INVESTMENT IN TANGIBLE CAPITAL ASSETS	ENDOWMENTS	UNRESTRICTED SURPLUS	INTERNALLY RESTRICTED	
							TOTAL OPERATING RESERVES	TOTAL CAPITAL RESERVES
Balance at August 31, 2011	\$18,339,325	\$0	\$18,339,325	\$6,602,983	\$0	\$466,327	\$9,130,227	\$2,139,788
Prior period adjustments:								
Restate Funded Assets as non-funded	\$313,581		\$313,581	\$313,581	\$0	\$0	\$0	\$0
SGF Non Restricted Revenue	\$727,192	\$0	\$727,192	\$0	\$0	\$0	\$727,192	\$0
Employee Future Benefit Adjustment	(\$61,100)	\$0	(\$61,100)	\$0	\$0	(\$61,100)	\$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, 2011	\$19,318,998	\$0	\$19,318,998	\$6,916,564	\$0	\$405,227	\$9,857,419	\$2,139,788
Operating surplus (deficit)	(\$312,384)		(\$312,384)			(\$312,384)		
Board funded tangible capital asset additions				\$966,197		(\$39,870)	(\$177,988)	(\$748,339)
Disposal of unsupported tangible capital assets	\$0		\$0	(\$18,750)		(\$16,189)		\$34,939
Disposal of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		(\$1)		\$1
Write-down of unsupported tangible capital assets	\$0		\$0	\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)	\$0		\$0	\$0		\$0		\$0
Net remeasurement gains (losses) for the year	\$0	\$0						
Endowment expenses	\$0		\$0		\$0			
Direct credits to accumulated surplus	\$0		\$0		\$0	\$0		
Amortization of tangible capital assets	\$0			(\$4,135,333)		\$4,135,333		
Capital revenue recognized	\$0			\$3,377,412		(\$3,377,412)		
Debt principal repayments (unsupported)	\$0			\$0		\$0		
Externally imposed endowment restrictions	\$0				\$0	\$0	\$0	
Net transfers to operating reserves	\$0					(\$773,532)	\$773,532	
Net transfers from operating reserves	\$0					\$1,327,100	(\$1,327,100)	
Net transfers to capital reserves	\$0					(\$845,585)		\$845,585
Net transfers from capital reserves	\$0					\$0		\$0
Assumption/transfer of other operations' surplus	\$0		\$0		\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$19,006,614	\$0	\$19,006,614	\$7,106,090	\$0	\$502,687	\$9,125,863	\$2,271,974

**SCHEDULE OF CHANGES IN ACCUMULATED SURPLUS
for the Year Ended August 31, 2012 (in dollars)**

	INTERNALLY RESTRICTED RESERVES BY PROGRAM									
	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
Balance at August 31, 2011	\$5,585,191	\$653,664	\$1,381,037	\$1,049,567	\$1,025,144	\$436,557	\$1,013,372	\$0	\$125,483	\$0
Prior period adjustments:										
Restate Funded Assets as non-funded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SGF Non Restricted Revenue	\$727,192	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Future Benefit Adjustment	\$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
Adjusted Balance, Aug. 31, 2011	\$6,312,383	\$653,664	\$1,381,037	\$1,049,567	\$1,025,144	\$436,557	\$1,013,372	\$0	\$125,483	\$0
Operating surplus (deficit)										
Board funded tangible capital asset additions	(\$177,988)	(\$132,824)	\$0	(\$521,609)	\$0	(\$93,906)	\$0	\$0	\$0	\$0
Disposal of unsupported tangible capital assets		\$17,845		\$17,094		\$0		\$0		\$0
Disposal of supported tangible capital assets (board funded portion)		\$0		\$1		\$0		\$0		\$0
Write-down of unsupported tangible capital assets		\$0		\$0		\$0		\$0		\$0
Write-down of supported tangible capital assets (board funded portion)		\$0		\$0		\$0		\$0		\$0
Net remeasurement gains (losses) for the year										
Endowment expenses										
Direct credits to accumulated surplus										
Amortization of tangible capital assets										
Capital revenue recognized										
Debt principal repayments (unsupported)										
Externally imposed endowment restrictions	\$0		\$0		\$0		\$0		\$0	
Net transfers to operating reserves	\$747,388		\$0		\$26,144		\$0		\$0	
Net transfers from operating reserves	(\$867,718)		(\$459,382)		\$0		\$0		\$0	
Net transfers to capital reserves		\$280,216		\$260,532		\$75,688		\$229,149		\$0
Net transfers from capital reserves		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' surplus	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2012	\$6,014,065	\$818,901	\$921,655	\$805,585	\$1,051,288	\$418,339	\$1,013,372	\$229,149	\$125,483	\$0

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2013 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2012	\$0	\$0	\$0	\$540,236	\$56,673,817
Prior period adjustments	\$0	\$0	\$0	\$0	\$509,217
Adjusted balance, August 31, 2012	\$0	\$0	\$0	\$540,236	\$57,183,034
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$0				
Infrastructure Maintenance & Renewal capital related to school facilities	\$51,908				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$242,004				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$11,885	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$188,113
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$14,098,337
Transferred in tangible capital assets (amortizable, @ net book value)					
Expended capital revenue - current year	(\$293,912)	\$0	\$0	\$0	\$293,912
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$0
Capital revenue recognized					\$3,360,310
Balance at August 31, 2013	\$0	\$0	\$0	\$552,121	\$68,403,086
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2013 (A) + (B) + (C) + (D)				\$552,121	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF CAPITAL REVENUE
(EXTERNALLY RESTRICTED CAPITAL REVENUE ONLY)
for the Year Ended August 31, 2012 (in dollars)

	Unexpended Deferred Capital Revenue				Expended Deferred Capital Revenue
	Provincially Approved & Funded Projects ^(A)	Surplus from Provincially Approved Projects ^(B)	Proceeds on Disposal of Provincially Funded Tangible Capital Assets ^(C)	Unexpended Deferred Capital Revenue from Other Sources ^(D)	
Balance at August 31, 2011	\$1,411,752	\$0	\$0	\$549,175	\$57,042,472
Prior period adjustments	\$0	\$0	\$0	\$0	\$1,112,052
Adjusted balance, August 31, 2011	\$1,411,752	\$0	\$0	\$549,175	\$58,154,524
Add:					
Unexpended capital revenue received from:					
Alberta Education school building & modular projects (excl. IMR)	\$22,063				
Infrastructure Maintenance & Renewal capital related to school facilities	\$0				
Other Government of Alberta	\$0				
Federal Government and First Nations				\$0	
Other sources				\$0	
Unexpended capital revenue receivable from					
Alberta Education school building & modular	\$599,531				
Unexpended capital revenue receivable from other than Alberta Education	\$0			\$0	
Interest earned on unexpended capital revenue	\$0	\$0	\$0	\$21,546	
Other unexpended capital revenue and donations				\$0	
Net proceeds on disposal of supported tangible capital assets			\$0	\$0	
Insurance proceeds (and related interest)			\$0	\$0	
Donated tangible capital assets (amortizable, @ fair market value)					\$621,955
Public Private Partnership (P3), other Alberta Schools Alternative Program (ASAP) Initiative and Alberta Infrastructure managed projects					\$0
Transferred in tangible capital assets (amortizable, @ net book value)					\$0
Expended capital revenue - current year	(\$2,033,346)	\$0	\$0	(\$30,485)	\$2,063,831
Surplus funds approved for future project(s)	\$0	\$0			
Deduct:					
Net book value of supported tangible capital dispositions, write-offs, or transfers	\$0	\$0	\$0	\$0	\$279,864
Capital revenue recognition					\$3,377,412
Balance at August 31, 2012	\$0	\$0	\$0	\$540,236	\$57,183,034
	(A)	(B)	(C)	(D)	
Balance of Unexpended Deferred Capital Revenue at August 31, 2012 (A) + (B) + (C) + (D)				\$540,236	

Unexpended Deferred Capital Revenue

(A) - Represents funding received from the Government of Alberta to be used toward the acquisition of new approved tangible capital assets with restricted uses only.

(B) - Represents any surplus of funding over costs from column (A) approved by Minister for future capital expenditures with restricted uses only.

(C) - Represents proceeds on disposal of provincially funded restricted-use capital assets to be expended on approved tangible capital assets per 10 (2) (a) of Disposition of Property Reg. 181/2010.

(D) - Represents capital revenue received from entities OTHER THAN the Government of Alberta for the acquisition of restricted-use tangible capital assets.

SCHEDULE OF PROGRAM OPERATIONS
for the Year Ended August 31, 2013 (in dollars)

REVENUES	2013						2012
	Instruction (ECS- Grade 12)	Plant Operations and Maintenance	Transportation	Board & System Administration	External Services	TOTAL	Restated
							TOTAL
(1) Alberta Education	\$75,613,001	\$12,145,032	\$3,850,670	\$4,040,028	\$30,437	\$95,679,168	\$93,649,031
(2) Other - Government of Alberta	\$362,814	\$54,842	\$0	\$0	\$0	\$417,656	\$537,594
(3) Federal Government and First Nations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(4) Other Alberta school authorities	\$2,318	\$0	\$0	\$0	\$0	\$2,318	\$3,854
(5) Out of province authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8) Fees	\$2,583,765		\$170,766		\$0	\$2,754,531	\$2,896,274
(9) Other sales and services	\$810,992	\$10,357	\$75	\$2,279	\$343,648	\$1,167,351	\$902,202
(10) Investment income	\$237,681	\$37,808	\$12,483	\$10,152	\$0	\$298,124	\$345,900
(11) Gifts and donations	\$161,929	\$0	\$0	\$0	\$0	\$161,929	\$167,052
(12) Rental of facilities	\$0	\$0	\$0	\$0	\$87,089	\$87,089	\$99,015
(13) Fundraising	\$1,809,042	\$0	\$0	\$0	\$0	\$1,809,042	\$1,501,981
(14) Gains on disposal of tangible capital assets	\$0	\$3,885	\$0	\$0	\$0	\$3,885	\$16,746
(15) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) TOTAL REVENUES	\$81,581,542	\$12,251,924	\$4,033,994	\$4,052,459	\$461,174	\$102,381,093	\$100,119,649
EXPENSES							
(17) Certificated salaries	\$49,494,200			\$627,828	\$52,888	\$50,174,916	\$50,224,988
(18) Certificated benefits	\$10,220,634			\$162,095	\$5,552	\$10,388,281	\$10,091,940
(19) Non-certificated salaries and wages	\$9,268,739	\$3,385,009	\$177,140	\$1,316,205	\$146,176	\$14,293,269	\$13,823,342
(20) Non-certificated benefits	\$2,388,967	\$821,725	\$40,654	\$344,787	\$30,582	\$3,626,715	\$3,484,543
(21) SUB - TOTAL	\$71,372,540	\$4,206,734	\$217,794	\$2,450,915	\$235,198	\$78,483,181	\$77,624,813
(22) Services, contracts and supplies	\$8,579,649	\$5,031,385	\$3,623,581	\$897,571	\$155,329	\$18,287,515	\$18,543,286
(23) Amortization of supported tangible capital assets	\$415,831	\$2,876,957	\$0	\$0	\$67,522	\$3,360,310	\$3,377,412
(24) Amortization of unsupported tangible capital assets	\$369,296	\$267,199	\$65,468	\$84,294	\$3,125	\$789,382	\$757,921
(25) Supported interest on capital debt	\$0	\$54,842	\$0	\$0	\$0	\$54,842	\$109,034
(26) Unsupported interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(27) Other interest and finance charges	\$12,527	\$1,588	\$602	\$6,585	\$0	\$21,302	\$19,011
(28) Losses on disposal of tangible capital assets	\$2,080	\$2,080	\$0	\$0	\$0	\$4,160	\$556
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$80,751,923	\$12,440,785	\$3,907,445	\$3,439,365	\$461,174	\$101,000,692	\$100,432,033
(31) OPERATING SURPLUS (DEFICIT)	\$829,619	(\$188,861)	\$126,549	\$613,094	\$0	\$1,380,401	(\$312,384)

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

1. AUTHORITY AND PURPOSE

The Black Gold Regional Division No. 18 (the “Regional Division”) delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The Regional Division receives funding for instruction and support under Education Grants Regulation (AR 120/2008). The regulation allows for the setting of conditions and use of grant monies. The Regional Division is limited on certain funding allocations and administration expenses.

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2012/13 fiscal year, the Regional Division has adopted Canadian Public Sector Accounting (“PSA”) standards without not-for-profit provisions. These financial statements are the first financial statements for which the Regional Division has applied PSA standards with retroactive application.

The Regional Division has elected to use the following exemptions in accordance with CICA PSA Handbook Section 2125:

- Tangible capital asset impairment:

The Regional Division has elected to apply Section PS 3150.31 on a prospective basis from the date of transition per Section PS 2125.14. This section states that when conditions indicate that a tangible capital asset no longer contributes to the Regional Division’s ability to provide goods and services, or that the value of future economic benefits associated with the tangible capital asset is less than its net book value, the cost of the tangible capital asset should be reduced to reflect the decline in the asset’s value.

As a result of the adoption of Public Sector Accounting Standards, comparative information has been restated as follows:

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

School Jurisdiction Code: _____ 2245

**SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS
For the Year Ended August 31, 2013 (in dollars)**

	September 1, 2011 Not-for-Profit	Adjustment	September 1, 2011 PSAS
FINANCIAL ASSETS			
Cash and cash equivalents / Cash and temporary investments	\$10,565,716	(\$3,023,252)	\$7,542,464
Accounts receivable (net after allowances)	\$1,398,069	\$1,440,518	\$2,838,587
Portfolio investments / Long term investments	\$7,207,635	\$3,023,252	\$10,230,887
Other financial assets			\$0
Other current assets	\$302,125	(\$302,125)	
Trust assets	\$307,904	(\$307,904)	
Long term accounts receivable	\$0	\$0	
Total financial assets	\$19,781,449	\$830,489	\$20,611,938
LIABILITIES			
Bank indebtedness	\$0	\$0	\$0
Accounts payable and accrued liabilities	\$4,336,576	\$0	\$4,336,576
Deferred revenue	\$1,485,297	\$59,403,144	\$60,888,441
Deferred capital allocations	\$1,960,927	(\$1,960,927)	
Trust liabilities	\$307,904	(\$307,904)	
Employee future benefit liabilities	\$131,200	\$61,100	\$192,300
Other liabilities		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt	\$1,440,518	\$0	\$1,440,518
Unsupported: Debentures and capital loans	\$0	\$0	\$0
Capital leases	\$0	\$0	\$0
Mortgages	\$0	\$0	\$0
Other long-term liabilities	\$0	\$0	
Unamortized capital allocations	\$57,042,472	(\$57,042,472)	
Total liabilities	\$66,704,894	\$152,941	\$66,857,835
Net Debt	(\$46,923,445)	\$677,548	(\$46,245,897)
NON-FINANCIAL ASSETS			
Tangible capital assets			
Land	\$2,394,945	\$0	\$2,394,945
Construction in progress	\$0	\$0	\$0
Buildings	\$112,217,082	\$0	\$112,217,082
Less: Accumulated amortization	(\$52,882,559)	\$0	(\$52,882,559)
Equipment	\$7,016,736	(\$450,928)	\$6,565,808
Less: Accumulated amortization	(\$4,213,013)	\$378,612	(\$3,834,401)
Vehicles	\$1,189,289	\$0	\$1,189,289
Less: Accumulated amortization	(\$636,507)	\$0	(\$636,507)
Computer Equipment		\$450,928	\$450,928
Less: Accumulated amortization		(\$378,612)	(\$378,612)
Total tangible capital assets	\$65,085,973	\$0	\$65,085,973
Prepaid expenses	\$176,797	\$0	\$176,797
Other non-financial assets		\$302,125	\$302,125
Total non-financial assets	\$65,262,770	\$302,125	\$65,564,895
Total accumulated surplus	\$18,339,325	\$979,673	\$19,318,998
Accumulating surplus / (deficit) is comprised of:			
Accumulated operating surplus (deficit)	\$18,339,325	\$979,673	\$19,318,998
Accumulated rereasurement gains (losses)		\$0	\$0
	\$18,339,325	\$979,673	\$19,318,998

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

School Jurisdiction Code: _____ 2245

SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS

For the Year Ended August 31, 2013 (in dollars)

	August 31, 2012 Not-for-Profit	Adjustment	Adjustment	August 31, 2012 PSAS
FINANCIAL ASSETS				
Cash and cash equivalents / Cash and temporary investments	\$11,332,089	(\$3,048,740)		\$8,283,349
Accounts receivable (net after allowances)	\$2,020,473	\$769,034		\$2,789,507
Portfolio investments / Long term investments	\$4,043,096	\$3,048,739		\$7,091,835
Other financial assets		\$0		\$0
Other current assets	\$298,693	(\$298,693)	\$0	
Trust assets	\$277,268	(\$277,268)	\$0	
Long term accounts receivable	\$0	\$0	\$0	
Total financial assets	\$17,971,619	\$193,072	\$0	\$18,164,691
LIABILITIES				
Bank indebtedness	\$0	\$0		\$0
Accounts payable and accrued liabilities	\$4,896,402	\$0		\$4,896,402
Deferred revenue	\$1,157,969	\$56,974,808		\$58,132,777
Deferred capital allocations	\$540,236	(\$540,236)		
Trust liabilities	\$277,268	(\$277,268)		
Employee future benefit liabilities	\$157,472	\$68,000		\$225,472
Other liabilities		\$0		\$0
Long term debt				
Supported: Debentures and other supported debt	\$769,034	\$0		\$769,034
Unsupported: Debentures and capital loans	\$0	\$0		\$0
Capital leases	\$0	\$0		\$0
Mortgages	\$0	\$0		\$0
Other long-term liabilities	\$0	\$0		
Unamortized capital allocations	\$56,673,817	(\$56,673,817)		
Total liabilities	\$64,472,198	(\$448,513)	\$0	\$64,023,685
Net Debt	(\$46,500,579)	\$641,585	\$0	(\$45,858,994)
NON-FINANCIAL ASSETS				
Tangible capital assets				
Land	\$2,394,945	\$0		\$2,394,945
Construction in progress	\$0	\$0		\$0
Buildings	\$114,432,012	\$0		\$114,432,012
Less: Accumulated amortization	(\$56,131,026)	\$0		(\$56,131,026)
Equipment	\$7,783,770	(\$552,782)		\$7,230,988
Less: Accumulated amortization	(\$4,647,998)	\$552,782		(\$4,095,216)
Vehicles	\$1,184,707	\$0		\$1,184,707
Less: Accumulated amortization	(\$727,284)	\$0		(\$727,284)
Computer Equipment		\$552,782		\$552,782
Less: Accumulated amortization		(\$552,782)		(\$552,782)
Total tangible capital assets	\$64,289,126	\$0		\$64,289,126
Prepaid expenses	\$277,789	\$0		\$277,789
Other non-financial assets		\$298,693		\$298,693
Total non-financial assets	\$64,566,915	\$298,693		\$64,865,608
Total accumulated surplus	\$18,066,336	\$940,278		\$19,006,614
Accumulating surplus / (deficit) is comprised of:				
Accumulated operating surplus (deficit)	\$18,066,336	\$940,278		\$19,006,614
Accumulated remeasurement gains (losses)		\$0		\$0
	\$18,066,336	\$940,278	\$0	\$19,006,614

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

School Jurisdiction Code: 2245

SCHEDULE OF TRANSITION TO PUBLIC ACCOUNTING STANDARDS

For the Years Ended August 31, 2012 (in dollars)

	August 31, 2012 Not-for-Profit	Adjustment	August 31, 2012 PSAS
REVENUES			
Alberta Education	\$90,515,932	\$3,133,099	\$93,649,031
Other - Government of Alberta	\$537,594	\$0	\$537,594
Federal Government and First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$3,854	\$0	\$3,854
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Property taxes	\$0	\$0	\$0
Fees	\$2,896,274	\$0	\$2,896,274
Other sales and services	\$621,734	\$280,468	\$902,202
Investment income	\$345,900	\$0	\$345,900
Gifts and donations	\$167,052	\$0	\$167,052
Rental of facilities	\$99,015	\$0	\$99,015
Fundraising	\$1,501,981	\$0	\$1,501,981
Gains (losses) on disposal of capital assets	\$16,746	\$0	\$16,746
Amortization of capital contributions	\$3,446,061	(\$3,446,061)	\$0
Other revenue	\$0	\$0	\$0
Total Revenues	\$100,152,143	(\$32,494)	\$100,119,649
EXPENSES			
Instruction	\$80,068,532	\$6,900	\$80,075,432
Plant operations and maintenance	\$12,917,454	\$0	\$12,917,454
Transportation	\$3,848,845	\$0	\$3,848,845
Administration	\$3,167,552	\$0	\$3,167,552
External services	\$422,750	\$0	\$422,750
Total Expenses	\$100,425,133	\$6,900	\$100,432,033
Operating surplus (deficit)	(\$272,990)	(\$39,394)	(\$312,384)

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

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SCHEDULE OF TRANSITION TO PUBLIC SECTOR ACCOUNTING STANDARDS

for the Year Ended August 31, 2013 (in dollars)

EXPENSES	August 31, 2012 Not-for-Profit	Adjustments	August 31, 2012 PSAS
Certificated salaries	\$50,224,988	\$0	\$50,224,988
Certificated benefits	\$10,086,765	\$5,175	\$10,091,940
Non-certificated salaries and wages	\$13,823,342	\$0	\$13,823,342
Non-certificated benefits	\$3,482,818	\$1,725	\$3,484,543
SUB - TOTAL	\$77,617,913	\$6,900	\$77,624,813
Services, contracts and supplies	\$18,543,286	\$0	\$18,543,286
Amortization of supported tangible capital assets	\$3,446,061	(\$68,649)	\$3,377,412
Amortization of unsupported tangible capital assets	\$689,272	\$68,649	\$757,921
Supported interest on capital debt	\$109,034	\$0	\$109,034
Unsupported interest on capital debt	\$0	\$0	\$0
Other interest and finance charges	\$19,011	\$0	\$19,011
Losses on disposal of tangible capital assets	\$556	\$0	\$556
Other expense	\$0	\$0	\$0
TOTAL EXPENSES	\$100,425,133	\$6,900	\$100,432,033

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the CICA Canadian public sector accounting standards ("PSAS"). The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Cash and Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

b) Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Portfolio Investments

The Regional Division has investments in GIC's that have a maturity of greater than three months. GIC's not quoted in an active market are reported at cost or amortized cost.

Detailed information regarding portfolio investments is disclosed in Note 6.

d) Tangible Capital Assets

The following criteria apply:

- Tangible capital assets acquired or constructed are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the asset. Cost also includes overhead directly attributable to construction as well as interest costs that are directly attributable to the acquisition or construction of the asset.
- Donated tangible capital assets are recorded at their fair market value at the date of donation, except in circumstances where fair value cannot be reasonably determined, when they are then recognized at nominal value. Transfers of tangible capital assets from related parties are recorded at original cost less accumulated amortization.
- Work-in-progress is recorded as an acquisition to the applicable asset class at substantial completion.
- Sites and buildings are written down to residual value when conditions indicate they no longer contribute to the ability of the Regional Division to provide services or when the value of future economic benefits associated with the sites and buildings are less than their net book value. For supported assets, the write-downs are accounted for as reductions to Expended Deferred Capital Revenue.
- Buildings that are demolished or destroyed are written off.
- Tangible capital assets with costs in excess of \$5,000 are capitalized.
- Tangible capital assets 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 – Buildings	not amortized

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

e) Deferred Revenue

Deferred revenue includes contributions received for operations which have stipulations that meet the definition of a liability per *Public Sector Accounting Standard (PSAS) PS 3200*. These contributions are recognized by the Regional Division once it has met all eligibility criteria to receive the contributions. When stipulations are met, deferred revenue is recognized as revenue in the fiscal year in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability.

Deferred revenue also includes contributions for capital expenditures, unexpended and expended:

- Unexpended Deferred Capital Revenue

Unexpended Deferred Capital Revenue represents externally restricted supported capital funds provided for a specific capital purpose received or receivable by the Regional Division, but the related expenditure has not been made at year-end. These contributions must also have stipulations that meet the definition of a liability per *PS 3200* when expended.

- Expended Deferred Capital Revenue

Expended Deferred Capital Revenue represents externally restricted supported capital funds that have been expended but have yet to be amortized over the useful life of the related capital asset. Amortization over the useful life of the related capital asset is due to certain stipulations related to the contributions that require that the Regional Division to use the asset in a prescribed manner over the life of the associated asset.

f) Employee Future Benefits

The Regional Division provides certain post-employment benefits including vested benefits for certain employees pursuant to certain contracts.

The Regional Division accrues its obligations and related costs for vested benefits under employee future benefit plans. The obligation recorded is for a defined-benefit retirement plan. The future benefit cost is actuarially determined using the projected unit credit method pro-rata on service and using management's best estimate of expected salary escalation, benefit usage, termination and retirement rates and mortality. The discount rate used to measure obligations is based on the cost of borrowing.

g) Operating and Capital Reserves

Certain amounts are internally or externally restricted for future operating or capital purposes. Transfers to and from reserves are recorded when approved by the Board of Trustees. Capital reserves are restricted to capital purposes and may only be used for operating purposes with approval by the Minister of Education. Reserves are disclosed in the Schedule of Changes in Accumulated Surplus.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

h) Revenue Recognition

Revenue is recorded on an accrual basis. 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.

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

Eligibility criteria are criteria that the Regional Division has to meet in order to receive certain contributions. *Stipulations* describe what the Regional Division must perform in order to keep the contributions. Contributions without eligibility criteria or stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity. Contributions with eligibility criteria but without stipulations are recognized as revenue when the contributions are authorized by the transferring government or entity and all eligibility criteria have been met. Contributions with stipulations are recognized as revenue in the period the stipulations are met, except when and to the extent that the contributions give rise to an obligation that meets the definition of a liability in accordance with *Section PS 3200*. Such liabilities are recorded as deferred revenue. The following items fall under this category:

- Non-capital contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year the stipulated related expenses are incurred;
- Unexpended Deferred Capital Revenue; or
- Expended Deferred Capital Revenue.

i) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Allocation of Costs

- Actual salaries of personnel assigned to two or more programs are allocated based on the time spent in each program.
- Employee benefits and allowances are allocated to the same programs, and in the same proportions, as the individual's salary.
- Supplies and services are allocated based on actual program identification.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

j) Pensions

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

The current and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Black Gold Regional Division No. 18 does not make pension contributions for certificated staff. The Government portion of the current service contribution to the Alberta Teachers Retirement Fund on behalf of the jurisdiction is included in both revenue and expenses. For the school year ended August 31, 2013, the amount contributed by the Government was \$5,080,872 (2012 - \$4,882,916).

The Regional Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$1,024,017 for the year ended August 31, 2013 (2012 - \$926,760). At December 31, 2012, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,977,303,000 (2011 deficiency of \$4,639,390,000).

The Regional 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.

k) Program Reporting

The Regional Division's operations have been segmented as follows:

- **ECS-Grade 12 Instruction:** The provision of Early Childhood Services education and grades 1 - 12 instructional services that fall under the basic public education mandate.
- **Plant Operations and Maintenance:** The operation and maintenance of all school buildings and maintenance shop facilities.
- **Transportation:** The provision of regular and special education bus services (to and from school), whether contracted or board operated, including transportation facilities.
- **Board & System Administration:** The provision of board governance and system-based / central office administration.
- **External Services:** All projects, activities, and services offered outside the public education mandate for ECS children and students in grades 1-12. Services offered beyond the mandate for public education are to be self-supporting, and Alberta Education funding may not be utilized to support these programs.

The allocation of revenue and expenses are reported by program, source, and object on the Schedule of Program Operations.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Trusts Under Administration

The Regional Division has property that has been transferred or assigned to it to be administered or directed by a trust agreement or statute. The Regional Division holds title to the property for the benefit of the beneficiary.

Trusts under administration have been excluded from the financial reporting of the Regional Division. Trust balances can be found in Note 16.

m) Financial Instruments

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Regional Division recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, employee future benefits and debt. Unless otherwise noted, it is management's opinion that the Regional Division is not exposed to significant credit and liquidity risks, or market risk, which includes currency, interest rate and other price risks.

Financial assets and liabilities are recorded at cost or amortized cost and the associated transaction costs are added to the carrying value of items in the cost or amortized cost upon initial recognition. The gain or loss arising from derecognition of a financial instrument is recognized in the Statement of Operations. Impairment losses such as write-downs or write-offs are reported in the Statement of Operations.

Recognition, derecognition and measurement policies followed in the financial statements for periods prior to the effective date of September 1, 2012 specified are not reversed and, therefore, the financial statements of prior periods, including the comparative information, have not been restated.

n) Measurement Uncertainty

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. Significant areas requiring the use of management estimates relate to the potential impairment of assets, rates for amortization and estimated employee future benefits.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

4. CASH AND CASH EQUIVALENTS

	2013			2012
	Average Effective (Market) Yield	Cost	Amortized Cost	Amortized Cost (Restated)
Cash	-	\$ 8,038,997	\$ 8,038,997	\$ 6,248,478
Cash equivalents				
Government of Canada, direct and guaranteed	%	-	-	-
Provincial, direct and guaranteed	%	-	-	-
Corporate	%	-	-	-
Municipal	%	-	-	-
Pooled investment funds	%			
Other, including GIC's	1.50%	2,065,519	2,065,519	2,034,871
Total cash and cash equivalents		<u>\$ 10,104,516</u>	<u>\$ 10,104,516</u>	<u>\$ 8,283,349</u>

5. ACCOUNTS RECEIVABLE

	2013			2012
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated)
Alberta Education - Grants	\$ 522,744	\$ -	522,744	\$ 541,133
Alberta Education - Capital	841,535	-	841,535	599,531
Alberta Education - IMR	-	-	-	-
Alberta Education - Supported	-	-	-	-
Other Alberta school jurisdictions	-	-	-	-
Treasury Board and Finance	328,602	-	328,602	804,084
Alberta Health & Wellness	-	-	-	-
Alberta Health Services	30,943	-	30,943	26,145
Enterprise & Advanced Education	-	-	-	-
Post-secondary institutions	-	-	-	-
Other Government of Alberta ministries	-	-	-	9,800
Federal government	176,075	-	176,075	475,433
Municipalities	1,089	-	1,089	250
First nations	-	-	-	-
Foundations	-	-	-	-
Other	150,342	-	150,342	333,131
Total	<u>\$2,051,330</u>	<u>\$ -</u>	<u>\$2,051,330</u>	<u>\$2,789,507</u>

Included in accounts receivable is \$599,531 (2012 - \$nil) of amounts outstanding for over one year.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

6. PORTFOLIO INVESTMENTS

	2013				2012 Balance (Restated)
	Average Effective (Market) Yield	Cost	Fair Value	Balance	
Long term deposits	%	\$ -	\$ -	\$ -	\$ -
Guaranteed investment certificates	2.34%	6,046,987	6,046,987	6,046,987	7,091,835
Fixed income securities					
Government of Canada, direct and guaranteed	%	\$ -	\$ -	\$ -	\$ -
Provincial, direct and guaranteed	%	-	-	-	-
Municipal	%	-	-	-	-
Corporate	%	-	-	-	-
Pooled investment funds	%	-	-	-	-
Total fixed income securities	%	-	-	-	-
Equities					
Canadian	%	-	-	-	-
Foreign	%	-	-	-	-
Real estate	%	-	-	-	-
Total equities	%	-	-	-	-
Supplemental Integrated Pension Plan Assets	%	-	-	-	-
Restricted long-term investments	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Other (Specify)	%	-	-	-	-
Total portfolio investments	%	<u>\$ 6,046,987</u>	<u>\$ 6,046,987</u>	<u>\$ 6,046,987</u>	<u>\$ 7,091,835</u>

The following is the maturity structure for fixed income securities based on the principal amount:

	2013	2012
1 to 5 years	100.0%	100.0%
6 to 10 years	0.0%	0.0%
11 to 20 years	0.0%	0.0%
Over 20 years	0.0%	0.0%
	<u>100.0%</u>	<u>100.0%</u>

It is management's opinion that there has been no impairment during the year.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
Alberta Education	\$ -	\$ -
Other Alberta school jurisdictions	21,784	26,848
Alberta Capital Finance Authority (Interest on long-term debt)	16,303	35,101
Alberta Health & Wellness	-	-
Alberta Health Services	-	7,105
Enterprise & Advanced Education	-	-
Post-secondary institutions	-	-
Other Government of Alberta ministries	17,136	-
Federal government	1,032,580	1,001,498
First nations	-	-
Other interest on long-term debt	-	-
Other bank charges, fees, and interest	-	-
Salaries & benefit costs	1,235,655	1,062,105
Other trade payables and accrued liabilities	1,596,159	2,763,745
Total	\$ 3,919,617	\$ 4,896,402

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

8. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2012 (Restated)	ADD: 2012/2013 Restricted Funds Received/ Receivable	DEDUCT: 2012/2013 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2012/2013 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2013
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 64,129	\$ 363,818	\$ (427,947)	\$ -	\$ (0)
Children and Youth with Complex Needs	-	-	-	-	-
Francophone Student Health Services	-	-	-	-	-
Infrastructure Maintenance Renewal	15,752	1,598,519	(1,572,655)	-	41,616
Institutional Education Programs	-	-	-	-	-
Portable/Modular Unit Relocation	-	-	-	-	-
Regional Consortium	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education deferred revenue	37,519	22,963	(37,519)	-	22,963
Other Deferred Revenue:					
School Generated Funds	190,456	250,417	(207,536)	-	233,337
Fees	8,360	45,985	(8,360)	-	45,985
Donations	-	-	-	-	-
Transportation Revenue and Other	93,291	103,771	(93,291)	-	103,771
Other (Specify)	-	-	-	-	-
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 409,507	\$ 2,385,473	\$ (2,347,308)	\$ -	\$ 447,672
Unexpended deferred capital revenue	540,236	253,889	(242,004)	-	552,121
Expended deferred capital revenue	57,183,034	15,037,096	(3,817,044)	-	68,403,086
Total	\$ 58,132,777	\$ 17,676,458	\$ (6,406,356)	\$ -	\$ 69,402,879

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2011 (Restated)	ADD: 2011/2012 Restricted Funds Received/ Receivable	DEDUCT: 2011/2012 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2011/2012 Adjustments for Returned Funds	DEFERRED REVENUE as at Aug. 31, 2012 (Restated)
Unexpended deferred operating revenue					
Alberta Education:					
Alberta Initiative for School Improvement	\$ 62,372	\$ 970,514	\$ (968,757)	\$ -	\$ 64,129
Children and Youth with Complex Needs	-	-	-	-	-
Francophone Student Health Services	3,000	65,000	(68,000)	-	-
Infrastructure Maintenance Renewal	252,299	1,517,870	(1,754,417)	-	15,752
Institutional Education Programs	-	-	-	-	-
Portable/Modular Unit Relocation	-	-	-	-	-
Regional Consortium	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education deferred revenue	288,482	99,760	(350,723)	-	37,519
Other Government of Alberta:					
Other Deferred Revenue:					
School Generated Funds	71,975	437,019	(318,538)	-	190,456
Fees	-	8,360	-	-	8,360
Donations	-	-	-	-	-
Transportation Revenue and Other	79,977	93,291	(79,977)	-	93,291
Other (Specify)	-	-	-	-	-
Other	-	-	-	-	-
Total unexpended deferred operating revenue	\$ 758,105	\$ 3,191,814	\$ (3,540,412)	\$ -	\$ 409,507
Unexpended deferred capital revenue	1,960,927	643,140	(2,063,831)	-	540,236
Expended deferred capital revenue	58,169,409	2,739,550	(3,725,925)	-	57,183,034
Total	\$ 60,888,441	\$ 6,574,504	\$ (9,330,168)	\$ -	\$ 58,132,777

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

9. EMPLOYEE FUTURE BENEFIT LIABILITIES

Employee future benefit liabilities consist of the following:

	2013	2012 (Restated)
Defined benefit pension plan liability	\$ 220,167	\$ 225,472
Accumulated sick pay liability	-	-
Vacation accrual liability	-	-
Other compensated absences	-	-
Post-employment benefits	-	-
Retirement allowances	-	-
Other termination benefits	-	-
Educational subsidy surplus	-	-
Personal professional development fund	-	-
Other employee future benefits	-	-
Total	\$ 220,167	\$ 225,472

Defined benefit pension plan

The Regional Division's unfunded defined benefit pension plan provides non-indexed pension benefits at retirement to enhance the LAPP and ATRF formulae to a full 2% final average earnings formula.

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

Total cash payments for pension for 2013, consisting of cash contributed by the Regional Division to its funded pension plans, cash payments directly to the employees or their beneficiaries for its unfunded other benefit plans and cash contributed to its defined benefit plan were \$0 (\$0 in 2012).

Benefits paid by pension plans were \$49,100 (\$12,100 in 2012).

Accrued benefit plan obligation

	2013	2012
Accrued benefit plan obligation, beginning of year	188,600	192,300
Accrual for services	38,500	36,400
Interest cost	9,100	8,900
Benefit payments	(49,100)	(12,100)
Actuarial gain (loss) on accrued benefit plan obligation	(6,900)	(36,900)
Accrued benefit plan obligation, end of year	180,200	188,600

The Regional Division measures its accrued benefit obligations and fair value of plan assets for accounting purposes at August 31, 2013.

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

9. EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

Reconciliation of funded status of the benefit plans to the amounts recorded in the financial statements

	2013	2012
Accrued benefit obligation	(180,200)	(188,600)
Balance of unamortized amounts	(39,200)	(36,900)
Accrued benefit liability	(219,400)	(225,500)

Elements of defined benefit costs recognized in the year

	2013	2012
Current service cost	38,500	36,400
Interest costs	9,100	8,900
Amortization of experience losses	(4,600)	-
Defined benefit costs recognized	43,000	45,300

Significant assumption

	2013	2012
Accrued benefit obligation discount	4.95%	4.95%

10. DEBT

	2013	2012
Debentures outstanding at August 31, 2013 have interest rates between 9.75% to 10.00%. The terms of the Loan range between 20 and 25 years, payments made annually supported by Alberta Education	\$ 312,300	\$ 769,034

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 9.75% and 10.00%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2013-2014	\$ 213,204	\$ 30,659	\$ 243,863
2014-2015	99,096	9,662	108,758
2015-2016	-	-	-
2016-2017	-	-	-
2017-2018	-	-	-
2018 to maturity	-	-	-
Total	\$ 312,300	\$ 40,321	\$ 352,621

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

11. TANGIBLE CAPITAL ASSETS

	August 31, 2013						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			5-40 years	5 and 10 years	5 and 10 years	5 years	
Historical cost							
Beginning of year	\$ 2,394,945	\$ -	\$114,432,011	\$ 7,154,854	\$ 1,184,707	\$ 628,916	\$125,795,433
Additions	-	14,098,337	421,521	374,989	123,544	423,457	\$ 15,441,848
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	-	(347,749)	(53,382)	-	\$ (401,131)
	<u>\$ 2,394,945</u>	<u>\$ 14,098,337</u>	<u>\$114,853,532</u>	<u>\$ 7,182,094</u>	<u>\$ 1,254,869</u>	<u>\$ 1,052,373</u>	<u>\$140,836,150</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 56,131,025	\$ 4,236,298	\$ 727,284	\$ 411,700	\$ 61,506,307
Additions	-	-	3,286,700	670,018	124,289	68,686	\$ 4,149,693
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	-	(347,749)	(47,606)	-	\$ (395,355)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,417,725</u>	<u>\$ 4,558,567</u>	<u>\$ 803,967</u>	<u>\$ 480,386</u>	<u>\$ 65,260,645</u>
Net Book Value at End of Year	<u>\$ 2,394,945</u>	<u>\$ 14,098,337</u>	<u>\$ 55,435,807</u>	<u>\$ 2,623,527</u>	<u>\$ 450,902</u>	<u>\$ 571,987</u>	<u>\$ 75,575,505</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

	August 31, 2012						
	Land	Construction In Progress - Buildings	Buildings	Equipment	Vehicles	Computer Hardware & Software	Total
Estimated useful life			5-40 years	5 and 10 years	5 and 10 years	5 years	
Historical cost							
Beginning of year	\$ 2,394,945	\$ -	\$112,217,082	\$ 6,565,808	\$ 1,189,289	\$ 450,928	\$122,818,052
Additions	-	-	2,560,169	863,261	35,681	177,988	\$ 3,637,099
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	(345,240)	(274,215)	(40,263)	-	\$ (659,718)
	<u>\$ 2,394,945</u>	<u>\$ -</u>	<u>\$114,432,011</u>	<u>\$ 7,154,854</u>	<u>\$ 1,184,707</u>	<u>\$ 628,916</u>	<u>\$125,795,433</u>
Accumulated amortization							
Beginning of year	\$ -	\$ -	\$ 52,882,559	\$ 3,834,402	\$ 636,507	\$ 378,612	\$ 57,732,080
Additions	-	-	3,313,843	661,304	127,097	33,088	\$ 4,135,332
Transfers in (out)	-	-	-	-	-	-	\$ -
Less disposals including write-offs	-	-	(65,376)	(259,408)	(36,320)	-	\$ (361,104)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,131,026</u>	<u>\$ 4,236,298</u>	<u>\$ 727,284</u>	<u>\$ 411,700</u>	<u>\$ 61,506,308</u>
Net Book Value at End of Year	<u>\$ 2,394,945</u>	<u>\$ -</u>	<u>\$ 58,300,985</u>	<u>\$ 2,918,556</u>	<u>\$ 457,423</u>	<u>\$ 217,216</u>	<u>\$ 64,289,125</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

12. ACCUMULATED SURPLUS

Detailed information related to accumulated surplus is available on the Schedule of Changes in Accumulated Surplus. Accumulated surplus may be summarized as follows:

	2013	2012 (Restated)
Unrestricted surplus	\$ 636,342	\$ 502,687
Operating reserves	<u>9,944,250</u>	<u>9,125,863</u>
Accumulated surplus (deficit) from operations	10,580,592	9,628,550
Investment in tangible capital assets	7,172,418	7,106,090
Capital reserves	2,634,005	2,271,974
Endowments	-	-
Accumulated rereasurement gains (losses)	-	-
Accumulated surplus (deficit)	<u>\$ 20,387,015</u>	<u>\$ 19,006,614</u>

The Regional Division has recorded a provision for employee future benefits. Since this provision reflects estimated future obligations, it is not required to be funded from current operations. Accumulated surplus (deficit) may be adjusted as follows:

	2013	2012 (Restated)
Accumulated surplus (deficit) from operations	\$ 10,580,592	\$ 9,628,550
Employee future benefits	<u>220,167</u>	<u>225,472</u>
Adjusted accumulated surplus (deficit) ⁽¹⁾	<u>\$ 10,800,759</u>	<u>\$ 9,854,022</u>

⁽¹⁾ Adjusted accumulated surplus represents unspent funding available to support the Regional Division's operations for the 2013-2014 year.

13. CONTRACTUAL OBLIGATIONS

	2013	2012
Building Projects	\$ -	\$ -
Building Leases	2,493,072	2,804,576
Service Providers	-	-
Other (Specify)	-	-
Other	-	-
Total	<u>\$ 2,493,072</u>	<u>\$ 2,804,576</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

13. CONTRACTUAL OBLIGATIONS (continued)

Estimated payment requirements for each of the next five years and thereafter are as follows:

	Building Projects	Building Leases	Service Providers
2013-14	\$ -	\$ 319,316	\$ -
2014-15	-	317,741	-
2015-16	-	91,655	-
2016-17	-	91,655	-
2017-18	-	91,655	-
Thereafter	-	1,581,050	-
	\$ -	\$ 2,493,072	\$ -

14. CONTINGENT LIABILITIES

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

15. FEES

	2013	2012
Transportation fees ⁽¹⁾	\$ 170,766	\$ 164,185
Fees charged for instruction material and supplies ⁽²⁾	648,969	633,995
Other fees	1,934,796	2,098,094
Total	\$ 2,754,531	\$ 2,796,274

⁽¹⁾ Charged under School Act, Section 51 (3)

⁽²⁾ Charged under School Act Section 60 (2) (j)

16. TRUSTS UNDER ADMINISTRATION

These balances represent assets that are held in trust by the jurisdiction. They are not recorded on the statements of the Regional Division.

	2013	2012
Deferred salary leave plan	\$ 146,344	\$ 81,206
Scholarship trusts	76,187	79,031
Student Health Initiative (Banker board)	172,162	117,031
Children and Youth with Complex Needs (Banker board)	-	-
Regional Collaborative Service Delivery (Banker board)	124,807	-
Regional Learning Consortium (Banker board)	-	-
SGF Trust	31,685	-
MERFIP	4,666	-
Total	\$ 555,851	\$ 277,268

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

17. SCHOOL GENERATED FUNDS

	2013	2012 (Restated)
Beginning of Year	\$ 938,918	\$ 799,167
Gross Receipts:		
Fees	1,942,783	2,185,890
Fundraising	1,809,042	1,529,750
Gifts and donations	145,479	172,918
Grants to schools	4,290	23,458
Other sales and services	286,720	87,301
Total gross receipts	4,188,314	3,999,317
Total Related Expenses and Uses of Funds	2,777,166	2,829,353
Total Direct Costs Including Cost of Goods Sold to Raise Funds	1,352,461	1,030,213
End of Year	<u>\$ 997,605</u>	<u>\$ 938,918</u>
Balance included in Deferred Revenue	\$ 233,337	\$ 190,456
Balance included in Accumulated Surplus	\$ 764,268	\$ 748,462

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

18. RELATED PARTY TRANSACTIONS

All entities that are consolidated in the accounts of the Government of Alberta are related parties of Regional Divisions. These include government departments, health authorities, post-secondary institutions and other Regional Divisions in Alberta.

	Balances		Transactions	
	Financial Assets (at cost or net realizable)	Liabilities (at amortized cost)	Revenue	Expenses
Government of Alberta (GOA):				
Education	\$ -	\$ -	\$ 95,679,168	\$ 8,128,053
Accounts receivable / Accounts payable	1,364,279	-	-	-
Prepaid expenses / Deferred revenue	-	64,579	-	-
Unexpended deferred capital revenue	-	-	-	-
Expended deferred capital revenue	-	64,988,689	-	-
Other assets & liabilities	-	-	-	-
Grant revenue & expenses	-	-	-	-
Other revenues & expenses	-	-	-	-
Other Alberta school jurisdictions	-	21,784	2,318	99,607
Treasury Board and Finance (Principal)	312,300	312,300		
Treasury Board and Finance (Accrued interest)	16,303	16,303	54,842	54,842
Alberta Health	30,943	-	358,524	-
Alberta Health Services	-	-	-	-
Enterprise and Advanced Education	-	-	-	-
Post-secondary institutions	-	-	4,290	675
Alberta Infrastructure	-	-	-	-
Human Services	-	-	-	-
Other GOA ministry (Specify)	-	-	-	-
Other GOA ministry Agriculture	-	17,136	-	21,168
Other GOA ministries Finance	-	-	-	147
Other:				
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties (Specify)	-	-	-	-
Other Related Parties	-	-	-	-
TOTAL 2012/2013	<u>\$1,723,825</u>	<u>\$ 65,420,791</u>	<u>\$ 96,099,142</u>	<u>\$ 8,304,492</u>
TOTAL 2011/2012 (Restated)	<u>\$1,218,659</u>	<u>\$ 54,522,764</u>	<u>\$ 91,057,380</u>	<u>\$ 5,371,110</u>

**BLACK GOLD REGIONAL DIVISION NO. 18
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2013**

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

20. REMUNERATION AND MONETARY INCENTIVES

The Regional Division had paid or accrued expenses for the year ended August 31, 2013 to or on behalf of the following positions and persons in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair							
Koroll, Sandy	1.0	\$27,714	\$1,534	\$0			\$9,455
Other members	0.0	\$0	\$0	\$0			\$0
Bauckman, Lori	1.0	\$22,578	\$5,587	\$0			\$8,694
Eilander, Rebecca	1.0	\$22,962	\$5,614	\$0			\$8,398
Kobeluck, Sam	1.0	\$20,458	\$5,561	\$0			\$11,083
Lemke, Johnette	1.0	\$19,383	\$5,491	\$0			\$8,969
Martinson, Barb	1.0	\$20,564	\$5,519	\$0			\$10,085
Misselbrook, Lorna	1.0	\$19,292	\$5,483	\$0			\$9,831
Subtotal	7.0	\$152,951	\$34,789	\$0			\$66,515
Superintendent							
Yanitski, Norman	1.0	\$193,678	\$50,422	\$0	\$0	\$0	\$15,849
Secretary/Treasurer							
Andres, Ruth	1.0	\$163,416	\$45,141	\$0	\$0	\$0	\$7,634
Certificated teachers	536.7	\$49,981,238	\$10,337,859	\$0	\$0	\$0	
Non-certificated - other	368.7	\$13,976,903	\$3,500,195	\$0	\$0	\$46,590	
TOTALS		\$64,468,186	\$13,968,406	\$0	\$0	\$46,590	

21. FINANCIAL INSTRUMENTS

CREDIT CONCENTRATION

Accounts receivable from the provincial government in connection with grant revenue represents 84% (71% in 2012) of total accounts receivable as at August 31, 2013. The Regional Division believes that there is minimal risk associated with the collection of these amounts as they are from government bodies. Allowances for potentially uncollectible accounts receivable are considered each year.

22. BUDGET AMOUNTS

The budget was prepared by the Regional Division and approved by the Board of Trustees.

23. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2012/2013 presentation.