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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Aspen View Regional Division No. 19

Report on the Financial Statements

We have audited the accompanying financial statements of Aspen View Regional Division No. 19, which comprise the statement of financial position as at August 31, 2011, and the statements of changes in net assets, operating revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's 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 auditor's 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 control 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 control. 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 Aspen View Regional Division No. 19 as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Vegreville, Alberta
November 17, 2011

Wilde & Company
Chartered Accountants

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Financial Position
As at August 31, 2011

	2011	2010
Financial Assets		
Current Assets		
Cash and temporary investments (Note 3)	$ **5,446,506**	$ 8,769,596
Accounts receivable (Note 4)	**1,218,978**	560,889
Prepaid expenses	**75,109**	385,330
	6,740,593	9,715,815
School generated funds (Note 5)	**568,641**	602,967
Tangible capital assets (Note 6)	**21,034,144**	16,342,860
	$ **28,343,378**	$ 26,661,642
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	$ **2,515,240**	$ 2,715,998
Accrued liabilities - employee future benefits	**421,000**	369,234
Deferred revenue (Note 8)	**385,814**	279,753
Deferred capital allocations (Note 9)	**191,025**	1,018,433
Current portion of long term debt (Note 10a)	**292,993**	389,343
Current portion of long term capital lease obligation (Note 10b)	**175,195**	171,090
	3,981,267	4,943,851
Long term debt - supported (Note 10a)	**606,905**	899,898
Long term capital lease obligation - unsupported (Note 10b)	**651,800**	184,706
School generated funds (Note 5)	**568,641**	602,967
Unamortized capital allocations (Note 11)	**17,767,598**	13,275,173
	23,576,211	19,906,595
Net assets		
Unrestricted net assets	**1,829,432**	1,418,596
Net assets invested in operating reserves (Note 12)	**902,690**	3,418,408
Net assets invested in capital reserves (Note 13)	**495,392**	495,392
Net assets invested in capital assets	**1,539,653**	1,422,651
	4,767,167	6,755,047
	$ **28,343,378**	$ 26,661,642

Contingencies (Note 17)

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Changes in Net Assets
Year Ended August 31, 2011

	Invested in capital assets $	Internally restricted operating reserves $	Externally restricted capital reserves $	Unrestricted Net Assets $	**Total 2011 $**	Total 2010 $
Balance, beginning of year	1,422,651	3,418,408	495,392	1,418,596	**6,755,047**	7,605,672
Deficiency of revenues over expenses	-	-	-	(1,597,651)	**(1,597,651)**	(955,746)
Investment in capital assets	860,688	-	-	(860,688)	**-**	-
Internally imposed restrictions	-	(2,515,718)	-	2,515,718	**-**	-
Unsupported long term debt issued	(642,289)	-	-	642,289	**-**	-
Unsupported long term debt principal paid	171,090	-	-	(171,090)	**-**	-
Transfer from investment in capital assets - unsupported amortization	(272,487)	-	-	272,487	**-**	-
Unrealized gain/loss on investments	-	-	-	(390,229)	**(390,229)**	105,121
	1,539,653	902,690	495,392	1,829,432	**4,767,167**	6,755,047

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ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Operating Revenues and Expenditures
Year Ended August 31, 2011

		2011	Budget 2011 (unaudited)	2010
Revenues				
Alberta Education		$ 34,688,597	$ 34,633,967	$ 33,188,123
Other Government of Alberta		112,597	138,525	165,859
Federal government grants		1,343,817	426,022	1,808,581
Instruction resource fees		169,165	172,700	196,393
Interest on investments		356,460	220,000	395,061
Other revenues - private organizations and individuals		515,581	468,464	627,326
Gifts and donations		13,965	7,500	14,942
Amortization of capital allocations		606,080	606,080	636,656
School generated activities (funds)		2,263,174	550,000	2,078,436
		40,069,436	37,223,258	39,111,377
Expenditures				
Instructional:	E.C.S.	896,136	831,479	864,850
	Elem./Jr High/Sr High/Spec Ed.	23,969,470	22,657,543	22,321,443
	Community Services	-	-	24,258
		24,865,606	23,489,022	23,210,551
Administration:	School based	3,459,036	3,144,843	3,456,267
	System instruction support	315,082	270,907	317,671
	System based	1,961,714	2,262,669	2,007,991
		5,735,832	5,678,419	5,781,929
Other:	Operation and maintenance	4,932,728	5,402,411	5,007,119
	Transportation of pupils	3,715,506	3,722,671	3,737,773
	Interest on long term debt	154,241	135,496	251,315
	School generated activities (funds)	2,263,174	550,000	2,078,436
		11,065,649	9,810,578	11,074,643
		41,667,087	38,978,019	40,067,123
Deficiency of revenues over expenditures		**$ (1,597,651)**	$ (1,754,761)	$ (955,746)

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Cash Flows
Year Ended August 31, 2011

		2011		2010
Operations				
Deficiency of revenues over expenses for the year	$	**(1,597,651)**	$	(955,746)
Add (deduct) items not requiring cash:				
Amortization of capital allocations revenue		**(606,080)**		(636,656)
Total amortization expense		**878,568**		1,005,391
Changes in non-cash working capital balances				
Accounts receivable		**(658,089)**		(90,516)
Prepaids		**310,221**		(262,427)
Long term investments		**-**		500,734
Payables and accrued liabilities		**(200,758)**		644,812
Deferred revenue		**106,061**		(16,309)
Employee future benefit expense		**51,766**		53,262
Unrealized (gain) loss on investments		**(390,229)**		105,121
		(2,106,191)		347,666
Investing activities				
Purchase of capital assets				
Buildings		**(4,766,788)**		(7,003,680)
Equipment		**(784,295)**		-
Vehicles		**(18,769)**		(193,026)
		(5,569,852)		(7,196,706)
Financing activities				
Decrease in restricted cash or cash equivalents		**721,347**		4,124,919
Capital allocations received		**3,881,754**		2,044,206
Issuance of long term debt		**642,289**		-
Repayment of long term debt		**(560,433)**		(546,304)
Add back supported portion of long term debt		**389,343**		389,343
		5,074,300		6,012,164
Net use of cash equivalents during the year		**(2,601,743)**		(836,876)
Cash equivalents at the beginning of the year		**7,471,410**		8,308,286
Cash equivalents at the end of the year	$	**4,869,667**	$	7,471,410
Cash and cash equivalents is made up of:				
Cash and temporary investments (Note 3)	$	**5,446,506**	$	8,769,596
Less: restricted portion of cash and temporary investments (Note 3)		**(576,839)**		(1,298,186)
	$	**4,869,667**	$	7,471,410
Debenture and capital lease interest paid	$	**183,407**	$	280,481

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ASPEN VIEW REGIONAL DIVISION NO. 19
Schedule of Expenditures
Year Ended August 31, 2011

		Salaries & Benefits		Services, Supplies Contracts		Interest on Long Term Debt		Gross School Generated Funds		Amortization of Capital Assets & Loss on Disposal		**2011 Total**		2010 Total
E.C.S.	$	839,625	$	56,511	$	-	$	-	$	-	$	**896,136**	$	864,850
Elem./Jr High/Sr High/Spec Ed		20,962,041		2,836,500		13,931		2,263,174		170,929		**26,246,575**		24,426,714
System instruction support		90,425		224,655		-		-		-		**315,082**		317,671
School based administration		3,196,507		262,527		-		-		-		**3,459,036**		3,456,267
Community programs		-		-		-		-		-		**-**		24,258
System based administration		1,217,158		711,334		50,037		-		33,222		**2,011,751**		2,104,109
Operations and maintenance		2,068,455		2,191,754		89,955		-		672,519		**5,022,683**		5,134,869
Transportation of pupils		129,258		3,584,350		318		-		1,898		**3,715,824**		3,738,385
Total Expenditures - 2011	$	28,503,469	$	9,867,631	$	154,241	$	2,263,174	$	878,568	$	**41,667,087**	$	40,067,123
2011		68.41%		23.68%		0.37%		5.43%		2.11%				
Total Expenditures - 2010	$	26,708,394	$	10,023,587	$	251,315	$	2,078,436	$	1,005,391	$	40,067,123		
2010		66.66%		25.02%		0.63%		5.19%		2.51%				

ASPEN VIEW REGIONAL DIVISION NO. 19
Schedule of Excess Revenues Over Expenditures After Transfers
Year Ended August 31, 2011

		Instruction		Operation and Maintenance		Transportation		System Administration		External Services		**2011 Total**
Revenues	$	29,426,216	$	4,825,939	$	3,805,530	$	2,011,751	$	-	$	**40,069,436**
Expenditures		30,916,829		5,022,683		3,715,824		2,011,751		-		**41,667,087**
Excess (deficiency) of revenues over expenditures		(1,490,613)		(196,744)		89,706		-		-		**(1,597,651)**
Transfer for purchase of capital assets		(860,688)										**(860,688)**
Excess (deficiency) after capital acquisitions		(2,351,301)		(196,744)		89,706		-		-		**(2,458,339)**
Transfer for difference between amortization and capital allocations		170,929		66,438		1,898		33,222				**272,487**
Capital lease-unsupported debt advanced		642,289										**642,289**
Capital lease-unsupported principal payments		(171,090)										**(171,090)**
Transfer from reserves - Note 12		2,520,906										**2,520,906**
Transfer (to) operating reserves - Note 12		(5,188)										**(5,188)**
Net surplus (deficit)	$	806,545	$	(130,306)	$	91,604	$	33,222	$	-	$	**801,065**

1. Authority and purpose

   The school division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The division is exempt from income taxes under section 149(1)(c) of the Income Tax Act. Accordingly, there is no provision for income taxes in these financial statements.

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

2. Significant accounting policies

   a) Basis of presentation

      The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants (CICA), using the deferral method of reporting contributions.

   b) 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 if the amount can be reasonably estimated and collection is reasonably assured. 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.

2. Significant accounting policies (continued)

c) Capital assets

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

Buildings - 2.5 to 10%
Equipment - 10% to 20%
Vehicles - 10% to 20%

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.

d) Financial instruments

The financial instruments of Aspen View Regional Division No. 19 consist of cash, receivables, investments, payables, and long term debt. The division has chosen not to adopt CICA Handbook Sections 3862 and 3863 however, in accordance with Section 3855 (Financial Instruments - Recognition and Measurement) of the Canadian Institute of Chartered Accountants (CICA) handbook. These financial instruments are designated and measured as follows:

Financial Instruments	**Category**	**Measurement**
Cash and cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Investments - bonds	Held-to-maturity	Amortized cost
Investments - trust units	Available for sale	Fair value
Accounts payable	Other financial liabilities	Amortized cost
Long term debt	Other financial liabilities	Amortized cost

All financial instruments must initially be recognized at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their category classification.

e) 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 expensed at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

f) Vacation pay

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

2. Significant accounting policies (continued)

g) 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 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 Aspen View Regional Division No. 19 does not make pension contributions for certificated staff.

The School Board 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 $651,593 for the year ended August 31, 2011 (2010 - $599,962). At December 31, 2010, the Local Authorities Pension Plan reported an actuarial deficiency of $4,635,250,000 (2009 a deficiency of $3,998,614,000).

h) Prepaid expenses

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

i) 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 capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Contributed services

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. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

k) Employee future benefits

The division accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2011, the recorded obligation is $421,000 (2010 - $369,234). The total expense recorded in the financial statements is $51,766 (2010 - $53,262).

l) Investments

Some short term investments are valued at fair market value as they were classified as available-for-sale. The fair values of the recognized investments are determined based on the available market information. Realized investment income is reported on the Statement of Operating Revenues and Expenditures. Unrealized gains and losses are reported on the Statement of Changes in Net Assets.

Long term investments are valued at the amortized cost, or where there has been other than a temporary impairment in the value of the investment, at market value.

2. Significant accounting policies (continued)

m) 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 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 in this note.

n) Cash and temporary investments

Cash includes cash and cash equivalents. Cash equivalents include temporary investments that are due within one year. Carrying value approximates fair market value as the investments mature within one year. Some investments are carried at fair market value due their classification as available-for-sale.

o) Future accounting changes

The division will be adopting new accounting standards for public sector accounting standards (PSAB) of the CICA Handbook without reference to the not-for-profit standards. Management is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2013.

3. Cash and temporary investments	**2011**	2010
Cash	$ **1,958,370**	$ 2,305,986
Fixed income bonds	**-**	500,734
Trust units	**3,488,136**	5,962,876
	$ **5,446,506**	$ 8,769,596

Included in bank accounts is a restricted amount of $576,839 (2010 – $1,298,186) received from various grant authorities and held exclusively for capital and operating projects (Note 8/9).

The fair market value of the cash account is $1,958,370 (2010 - $2,305,986). The fair market value of the fixed income bonds is $nil (2010 - $556,400). The amortized cost of the trust units is $3,501,924 (2010 - $5,586,436).

The division has invested surplus funds in accordance with Section 60(2)(d) of the *School Act*.

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

4. Accounts receivable

	2011	2010
Alberta Education	$ **891,932**	$ 90,735
Alberta Finance	**67,187**	96,354
Federal Government	**166,654**	293,144
Other accounts receivable	**93,205**	80,656
	$ **1,218,978**	$ 560,889

5. School generated funds

	2011	2010
Balance, beginning of year	$ **602,967**	$ 566,531
Source of school generated funds (SGF)		
SGF for the year	**2,228,848**	2,114,872
Less: cost of generating SGF	**(1,672,865)**	(1,523,314)
Net SGF additions for the year	**555,983**	591,558
Net SGF available for discretionary spending	**1,158,950**	1,158,089
SGF expended for discretionary purposes	**590,309**	555,122
Balance, end of year	$ **568,641**	$ 602,967

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended December 31, 2011

6. Tangible capital assets

	Land $	Construction In Progress $	Buildings $	Equipment $	Vehicles $	Equipment under capital lease $	**2011 Total $**	2010 Total $
Estimated useful life			*10 - 40 years*	*5 - 10 years*	*5 - 10 years*	*5 - 10 years*		
Historical cost								
September 1, 2010	330,335	7,694,519	29,247,935	801,443	1,294,704	1,260,092	**40,629,028**	33,432,322
Additions		4,735,684	12,461,307	142,006	18,768	642,289	**18,000,054**	7,196,706
Less disposals including write-offs		(12,430,203)	(88,323)		(71,817)		**(12,590,343)**	-
August 31, 2011	330,335	-	41,620,919	943,449	1,241,655	1,902,381	**46,038,739**	40,629,028
Accumulated amortization								
September 1, 2010	-	-	22,026,931	603,604	594,334	1,061,299	**24,286,168**	23,280,777
Amortization expense	-	-	636,058	24,721	118,392	99,396	**878,567**	1,005,391
Effect of disposals	-	-	(88,323)		(71,817)		**(160,140)**	-
August 31, 2011	-	-	22,574,666	628,325	640,909	1,160,695	**25,004,595**	24,286,168
Net book value at August 31, 2011	330,335	-	19,046,253	315,124	600,746	741,686	**21,034,144**	16,342,860

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

7. Accounts payable and accrued liabilities

		2011		2010
Alberta Finance	$	**67,187**	$	96,354
Other trade payables and accrued liabilities		**2,448,053**		2,619,644
	$	**2,515,240**	$	2,715,998

8. Deferred revenue

Source and Grant or Fund Type		Deferred Revenue as at Aug. 31, 2010		Add: 2010-11 Restricted Funds Received/ Receivable		Deduct: 2010-11 Restricted Funds Expended (Paid/Payable)		Deferred Revenue as at Aug. 31, 2011
Alberta Education Restricted Operational Funding								
Infrastructure maintenance renewal	$	28,331	$	644,958	$	(540,949)	$	**132,340**
Alberta Initiative for School Improvement		-		75,972		-		**75,972**
Other Restricted Revenue								
Career Corner		3,343		-		(3,343)		**-**
Children & Youth with Complex Needs		-		30,000		(30,000)		**-**
CTS Evergreen		16,168		107,424		(110,880)		**12,712**
Education Children & Youth Service		108,786		-		(5,949)		**102,837**
High School Completion		55,966		-		(55,966)		**-**
Joe Shelast Grant		-		68,000		(16,672)		**51,328**
Moving & Improving		8,625		-		-		**8,625**
Software as a Service		56,534		-		(56,534)		**-**
Other programs		2,000		-		-		**2,000**
	$	279,753	$	926,354	$	(820,293)	$	**385,814**

9. Deferred capital allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the division, but the related expenditure had not been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

		2011		2010
Consisting of:				
Opening balance	$	**1,018,433**	$	5,127,044
Capital funding received		**3,799,619**		1,950,380
Interest earned		**16,110**		93,826
Proceeds on disposal of teacherages		**66,025**		-
Expended capital - transferred to unamortized capital allocations		**(4,709,162)**		(6,152,817)
	$	**191,025**	$	1,018,433

10. Long term debt

a) Debenture debt - supported

The debenture debt bears interest at rates varying between 8% and 10.125%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next four years are as follows:

		2011		2010
Debentures	$	**899,898**	$	1,289,241
Less current portion of debt		**292,993**		389,343
	$	**606,905**	$	899,898

School Year		Principal		Interest		Total
2011-2012	$	292,993	$	81,309	$	374,302
2012-2013		240,330		54,820		295,150
2013-2014		237,903		33,474		271,377
2014-2015		128,672		12,356		141,028
	$	899,898	$	181,959	$	1,081,857

b) Capital lease - unsupported

During 2006-07, the school division entered into a five year capital lease obligation with Xerox for the lease of photocopiers. The lease included the purchase of nine new copiers and software and extended the terms of payment for the previously leased copiers by three years. The new lease commenced January 1, 2007 and expires August 31, 2012. The lease was extended in August 2011 for another 4 years and expires August 31, 2016. The annual payments of $253,000 plus GST consists of the following components: annual copy charge of $77,805 (based on 7,500,000 copies plus 134,000 colour copies) and a blended capital lease payment of $175,195 bearing interest at 2.963%.

The annual payments under the previous capital lease were $301,506 plus GST. In addition, a number of operating leases were also cancelled when the new capital lease was signed. The prior payment included an annual copy charge of $98,390 and a blended capital lease payment of $203,116. The blended capital lease payments under the new agreement are due over the next five years as follows:

		2011		2010
Capital lease obligation	$	**826,995**	$	355,796
Less current portion of debt		**175,195**		171,090
	$	**651,800**	$	184,706

School Year		Principal		Interest		Total
2011-2012	$	175,195	$	-	$	175,195
2012-2013		155,885		19,310		175,195
2013-2014		160,503		14,692		175,195
2014-2015		165,258		9,937		175,195
2015-2016		170,154		5,041		175,195
	$	826,995	$	48,980	$	875,975

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

11. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

		2011		2010
Consisting of:				
Opening balance	$	**13,275,173**	$	7,369,669
Expended capital allocations		**4,709,162**		6,152,817
Supported debenture loan principal repayments		**389,343**		389,343
Less capital allocation for amortization		**(606,080)**		(636,656)
	$	**17,767,598**	$	13,275,173

12. Operating reserves

		Opening		Transfer from operating reserves		Transfer to operating reserves		**Closing**
Career counselling/scholarship	$	16,000	$	(16,000)	$		$	**-**
C.T.S.		71,683		(51,683)				**20,000**
Instruction - general		1,034,605		(1,034,605)				**-**
Instruction - schools		261,338		(119,049)				**142,289**
Operating contingency		780,094		(780,094)				**-**
Severe disabilities		631,409		(219,475)				**411,934**
Teacherages		18,224		-		5,188		**23,412**
Transportation		605,055		(300,000)				**305,055**
	$	3,418,408	$	(2,520,906)	$	5,188	$	**902,690**

13. Capital reserves

		Opening		Transfer to reserve		Transfers from reserves		**Closing**
Buildings	$	95,000	$	-	$	-	$	**95,000**
Equipment		370,000		-		-		**370,000**
Other		30,392		-		-		**30,392**
	$	495,392	$	-	$	-	$	**495,392**

14. Financial instruments

It is management's policy to control the risks associated with financial instruments including avoidance of undue concentrations of risk where possible. This requires a credit review history of customers to mitigate credit risk and entering into long term debt contracts with fixed interest rates where possible. The division does not have any foreign currency transactions or hedge activities.

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The division is exposed to minimal credit risk from customers. In order to reduce its credit risk, the division reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The School Board is dependant on Alberta Education as the major provider for funding as discussed in the Economic Dependence note. See Note 22.

b) Fair value

The division's carrying value of cash and temporary investments, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments. The division has invested surplus funds in accordance with Section 60(2)(d) of the School Act.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the division for debt with similar terms.

c) Interest rate

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

15. Indebtedness

a) Line of credit

The division has a line of credit in the amount of $1,000,000 that bears interest at bank prime less 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2011.

b) Credit cards

The division has approved a combined credit card charge limit of $800,000 (2010 - $865,000). The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2011 is $110,795 (2010 - $222,217).

c) SBEBA letter of credit

The division has arranged for a $200,000 letter of credit to secure its position in SBEBA. If the division withdraws from SBEBA, the $200,000 will be utilized to fund the exit penalty.

16. Commitments

a) Building projects

The division is committed to further capital expenditures for the modernization of the Vilna School of approximately $11,500,000. It is anticipated that these costs will be fully funded by the capital allocations received from Alberta Education and interest earned on these allocations. The project was completed and in use by September 2011. The expenditures to August 31, 2011 are $11,745,341 (2010 - $7,009,657) of which $26,522 was not funded through grants.

During 2011, the division received approval of $5,000,000 in grant funding to right-size Thorhild Central High School. This right-sizing will result in the combination of Thorhild Central High School, Thorhild Elementary School, and Radway School. This project will commence in May 2012.

b) Operating lease

The school division's current operating lease on office premises expires in June 30, 2024. The annual lease cost incurred in 2010-2011 was $62,570. The rent will be adjusted annually (on the first day of July) by an amount equal to the lessee's proportionate share of operating costs of the previous year.

17. Contingencies

a) Contingent assets

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

b) Contingent liabilities

The division is a member of the reciprocal insurance exchange ALAIRE. Under the terms of membership, the division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The division is involved in a lawsuit with the former Minister of Education regarding school boundaries established for Lakeland Catholic School Division. Legal fees incurred to date are approximately $484,000. The division is in the process of suspending the lawsuit. Management estimates that there will be no other financial gain or cost.

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

18. Related party transactions

Effective 2005/06, and in accordance to criteria set out in PSAB 1300, which is the financial reporting framework for the Government of Alberta, school jurisdictions are deemed to be controlled by the Government of Alberta. There is no significant difference between the related party disclosures required under the PSAB and not-for-profit financial reporting framework. 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	
2010/11	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 891,932	$ -	$ 34,688,597	$ -
Finance	67,187	967,085	103,306	103,306
Other Gov't of Alberta departments	-	-	(4,316)	-
Other				
Health authorities	-	-	13,607	-
TOTAL 2010/11	**$ 959,119**	**$ 967,085**	**$ 34,801,194**	**$ 103,306**
TOTAL 2009/10	$ 187,089	$ 1,385,595	$ 33,353,982	$ 127,257

Wilde & Company
Chartered Accountants

19. Remuneration and monetary incentives

The Aspen View Regional Division No. 19 had paid or accrued expenses for the year ended August 31, 2011 to/or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits & Allowances	**Total**	Reimbursed Expenses
Bittorf, Brian (Chairman)	1	$ 21,923	$ 3,671	$ **25,594**	$ 11,248
Fehr, Penny	1	12,427	3,840	**16,267**	9,789
Gerlach, Joe	1	1,509	606	**2,115**	795
Green, Teri	1	2,901	1,518	**4,419**	768
Koehler, Edgar	1	11,475	3,774	**15,249**	8,369
Kowalchuk, Wes	1	17,312	521	**17,834**	11,591
Kuefler, Tammy	1	4,107	420	**4,527**	6,552
Macneil, Dennis	1	8,807	3,165	**11,971**	6,417
Ponich, Paul	1	18,040	32	**18,072**	11,563
Rohatynchuk, Robert	1	13,553	1,515	**15,069**	10,617
Uglanica, Randy	1	14,956	3,332	**18,288**	11,153
Superintendent	1	145,104	13,266	**158,370**	11,085
Secretary/Treasurer	1	105,053	23,586	**128,639**	1,357
Salaries - Certificated	191.7	17,155,463	1,899,224	**19,054,687**	
Salaries - Uncertificated	163.31	7,210,351	1,802,022	**9,012,373**	
		$ 24,742,980	$ 3,760,493	$ **28,503,473**	

20. Asset retirement obligation

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that results from its acquisition, construction, development, or normal operation. The jurisdiction has a legal obligation to remove hazardous material at the site of any school building. It is management's position that no obligation exists at this time and thus no liability has been recognized.

21. Capital disclosures

The division manages its capital to safeguard its ability to deliver services to the schools located within the division boundaries, and in the long term, to continue to plan for and build sufficient physical capacity to meet future needs for school services. The division's overall strategy remains unchanged from 2010.

The majority of the operating funding for the division is from Alberta Education which is received each month. Management monitors its working capital and cash flow forecasts.

The division defines its capital as the amounts included in deferred capital contributions (Note 11) and unrestricted net assets. A significant portion of the division's capital is externally restricted. The division's unrestricted capital is funded primarily by Alberta Education. The division has spending policies and cash management procedures to ensure the division can meet its capital obligations.

21. Capital disclosures (continued)

Alberta Education approves school facilities construction based on long term capital plans and provides the majority of the funding through one-time grants. The division funds the required equipment and systems by a combination of allocating a portion of operating funds and fundraising activities by schools. Capital plans are evaluated each year by management. The division has completed modernizing the Vilna School during the fiscal year.

During 2011, the division received approval of $5,000,000 in grant funding to right-size Thorhild Central High School. This right-sizing will result in the combination of Thorhild Central High School, Thorhild Elementary School, and Radway School. This project will commence in May 2012.

Under the School Act, the division must receive ministerial approval for a deficit budget, borrowing and the sale of any land or buildings. The division has complied with all the externally imposed restrictions of Alberta Education.

22. Economic dependence on related third party

Aspen View Regional Division No.19's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

23. Budget amounts

The budget was prepared by the school division and approved by the Board of Trustees on November 18, 2010. The budget information is presented for information purposes only.

24. Comparative figures
The comparative figures have been reclassified where necessary to conform to the 2011 presentation.

ASPEN VIEW REGIONAL DIVISION NO. 19

AUDITED FINANCIAL STATEMENTS

For the year ended

August 31, 2011

Wilde & Company
Chartered Accountants

WildeandCompany
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Aspen View Regional Division No. 19

Report on the Financial Statements

We have audited the accompanying financial statements of Aspen View Regional Division No. 19, which comprise the statement of financial position as at August 31, 2011, and the statements of changes in net assets, operating revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles 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.

Auditor's 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 auditor's 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 control 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 control. 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 Aspen View Regional Division No. 19 as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

Vegreville, Alberta
November 17, 2011

Wilde & Company
Chartered Accountants

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Financial Position
As at August 31, 2011

		2011		2010
Financial Assets				
Current Assets				
Cash and temporary investments (Note 3)	$	**5,446,506**	$	8,769,596
Accounts receivable (Note 4)		**1,218,978**		560,889
Prepaid expenses		**75,109**		385,330
		6,740,593		9,715,815
School generated funds (Note 5)		**568,641**		602,967
Tangible capital assets (Note 6)		**21,034,144**		16,342,860
	$	**28,343,378**	$	26,661,642
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (Note 7)	$	**2,515,240**	$	2,715,998
Accrued liabilities - employee future benefits		**421,000**		369,234
Deferred revenue (Note 8)		**385,814**		279,753
Deferred capital allocations (Note 9)		**191,025**		1,018,433
Current portion of long term debt (Note 10a)		**292,993**		389,343
Current portion of long term capital lease obligation (Note 10b)		**175,195**		171,090
		3,981,267		4,943,851
Long term debt - supported (Note 10a)		**606,905**		899,898
Long term capital lease obligation - unsupported (Note 10b)		**651,800**		184,706
School generated funds (Note 5)		**568,641**		602,967
Unamortized capital allocations (Note 11)		**17,767,598**		13,275,173
		23,576,211		19,906,595
Net assets				
Unrestricted net assets		**1,829,432**		1,418,596
Net assets invested in operating reserves (Note 12)		**902,690**		3,418,408
Net assets invested in capital reserves (Note 13)		**495,392**		495,392
Net assets invested in capital assets		**1,539,653**		1,422,651
		4,767,167		6,755,047
	$	**28,343,378**	$	26,661,642

Contingencies (Note 17)

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Changes in Net Assets
Year Ended August 31, 2011

	Invested in capital assets $	Internally restricted operating reserves $	Externally restricted capital reserves $	Unrestricted Net Assets $	**Total 2011 $**	Total 2010 $
Balance, beginning of year	1,422,651	3,418,408	495,392	1,418,596	**6,755,047**	7,605,672
Deficiency of revenues over expenses	-	-	-	(1,597,651)	**(1,597,651)**	(955,746)
Investment in capital assets	860,688	-	-	(860,688)	**-**	-
Internally imposed restrictions	-	(2,515,718)	-	2,515,718	**-**	-
Unsupported long term debt issued	(642,289)	-	-	642,289	**-**	-
Unsupported long term debt principal paid	171,090	-	-	(171,090)	**-**	-
Transfer from investment in capital assets - unsupported amortization	(272,487)	-	-	272,487	**-**	-
Unrealized gain/loss on investments	-	-	-	(390,229)	**(390,229)**	105,121
	1,539,653	902,690	495,392	1,829,432	**4,767,167**	6,755,047

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Operating Revenues and Expenditures
Year Ended August 31, 2011

			2011		Budget 2011 (unaudited)		2010
Revenues							
Alberta Education		$	34,688,597	$	34,633,967	$	33,188,123
Other Government of Alberta			112,597		138,525		165,859
Federal government grants			1,343,817		426,022		1,808,581
Instruction resource fees			169,165		172,700		196,393
Interest on investments			356,460		220,000		395,061
Other revenues - private organizations and individuals			515,581		468,464		627,326
Gifts and donations			13,965		7,500		14,942
Amortization of capital allocations			606,080		606,080		636,656
School generated activities (funds)			2,263,174		550,000		2,078,436
			40,069,436		37,223,258		39,111,377
Expenditures							
Instructional:	E.C.S.		896,136		831,479		864,850
	Elem./Jr High/Sr High/Spec Ed.		23,969,470		22,657,543		22,321,443
	Community Services		-		-		24,258
			24,865,606		23,489,022		23,210,551
Administration:	School based		3,459,036		3,144,843		3,456,267
	System instruction support		315,082		270,907		317,671
	System based		1,961,714		2,262,669		2,007,991
			5,735,832		5,678,419		5,781,929
Other:	Operation and maintenance		4,932,728		5,402,411		5,007,119
	Transportation of pupils		3,715,506		3,722,671		3,737,773
	Interest on long term debt		154,241		135,496		251,315
	School generated activities (funds)		2,263,174		550,000		2,078,436
			11,065,649		9,810,578		11,074,643
			41,667,087		38,978,019		40,067,123
Deficiency of revenues over expenditures		$	**(1,597,651)**	$	(1,754,761)	$	(955,746)

ASPEN VIEW REGIONAL DIVISION NO. 19
Statement of Cash Flows
Year Ended August 31, 2011

		2011		2010
Operations				
Deficiency of revenues over expenses for the year	$	**(1,597,651)**	$	(955,746)
Add (deduct) items not requiring cash:				
Amortization of capital allocations revenue		**(606,080)**		(636,656)
Total amortization expense		**878,568**		1,005,391
Changes in non-cash working capital balances				
Accounts receivable		**(658,089)**		(90,516)
Prepaids		**310,221**		(262,427)
Long term investments		**-**		500,734
Payables and accrued liabilities		**(200,758)**		644,812
Deferred revenue		**106,061**		(16,309)
Employee future benefit expense		**51,766**		53,262
Unrealized (gain) loss on investments		**(390,229)**		105,121
		(2,106,191)		347,666
Investing activities				
Purchase of capital assets				
Buildings		**(4,766,788)**		(7,003,680)
Equipment		**(784,295)**		-
Vehicles		**(18,769)**		(193,026)
		(5,569,852)		(7,196,706)
Financing activities				
Decrease in restricted cash or cash equivalents		**721,347**		4,124,919
Capital allocations received		**3,881,754**		2,044,206
Issuance of long term debt		**642,289**		-
Repayment of long term debt		**(560,433)**		(546,304)
Add back supported portion of long term debt		**389,343**		389,343
		5,074,300		6,012,164
Net use of cash equivalents during the year		**(2,601,743)**		(836,876)
Cash equivalents at the beginning of the year		**7,471,410**		8,308,286
Cash equivalents at the end of the year	$	**4,869,667**	$	7,471,410
Cash and cash equivalents is made up of:				
Cash and temporary investments (Note 3)	$	**5,446,506**	$	8,769,596
Less: restricted portion of cash and temporary investments (Note 3)		**(576,839)**		(1,298,186)
	$	**4,869,667**	$	7,471,410
Debenture and capital lease interest paid	$	**183,407**	$	280,481

ASPEN VIEW REGIONAL DIVISION NO. 19
Schedule of Expenditures
Year Ended August 31, 2011

	Salaries & Benefits	Services, Supplies Contracts	Interest on Long Term Debt	Gross School Generated Funds	Amortization of Capital Assets & Loss on Disposal	**2011 Total**	2010 Total
E.C.S.	$ 839,625	$ 56,511	$ -	$ -	$ -	$ **896,136**	$ 864,850
Elem./Jr High/Sr High/Spec Ed	20,962,041	2,836,500	13,931	2,263,174	170,929	**26,246,575**	24,426,714
System instruction support	90,425	224,655	-	-	-	**315,082**	317,671
School based administration	3,196,507	262,527	-	-	-	**3,459,036**	3,456,267
Community programs	-	-	-	-	-	**-**	24,258
System based administration	1,217,158	711,334	50,037	-	33,222	**2,011,751**	2,104,109
Operations and maintenance	2,068,455	2,191,754	89,955	-	672,519	**5,022,683**	5,134,869
Transportation of pupils	129,258	3,584,350	318	-	1,898	**3,715,824**	3,738,385
Total Expenditures - 2011	$ 28,503,469	$ 9,867,631	$ 154,241	$ 2,263,174	$ 878,568	$ **41,667,087**	$ 40,067,123
2011	68.41%	23.68%	0.37%	5.43%	2.11%		
Total Expenditures - 2010	$ 26,708,394	$ 10,023,587	$ 251,315	$ 2,078,436	$ 1,005,391	$ 40,067,123	
2010	66.66%	25.02%	0.63%	5.19%	2.51%		

ASPEN VIEW REGIONAL DIVISION NO. 19
Schedule of Excess Revenues Over Expenditures After Transfers
Year Ended August 31, 2011

	Instruction	Operation and Maintenance	Transportation	System Administration	External Services	**2011 Total**
Revenues	$ 29,426,216	$ 4,825,939	$ 3,805,530	$ 2,011,751	$ -	$ **40,069,436**
Expenditures	30,916,829	5,022,683	3,715,824	2,011,751	-	**41,667,087**
Excess (deficiency) of revenues over expenditures	(1,490,613)	(196,744)	89,706	-	-	**(1,597,651)**
Transfer for purchase of capital assets	(860,688)					**(860,688)**
Excess (deficiency) after capital acquisitions	(2,351,301)	(196,744)	89,706	-	-	**(2,458,339)**
Transfer for difference between amortization and capital allocations	170,929	66,438	1,898	33,222		**272,487**
Capital lease-unsupported debt advanced	642,289					**642,289**
Capital lease-unsupported principal payments	(171,090)					**(171,090)**
Transfer from reserves - Note 12	2,520,906					**2,520,906**
Transfer (to) operating reserves - Note 12	(5,188)					**(5,188)**
Net surplus (deficit)	$ 806,545	$ (130,306)	$ 91,604	$ 33,222	$ -	$ **801,065**

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ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended December 31, 2011

1. Authority and purpose

   The school division delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The division is exempt from income taxes under section 149(1)(c) of the Income Tax Act. Accordingly, there is no provision for income taxes in these financial statements.

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

2. Significant accounting policies

   a) Basis of presentation

      The financial statements have been prepared in accordance with the accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants (CICA), using the deferral method of reporting contributions.

   b) 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 if the amount can be reasonably estimated and collection is reasonably assured. 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.

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

2. Significant accounting policies (continued)

c) Capital assets

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

Buildings - 2.5 to 10%
Equipment - 10% to 20%
Vehicles - 10% to 20%

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.

d) Financial instruments

The financial instruments of Aspen View Regional Division No. 19 consist of cash, receivables, investments, payables, and long term debt. The division has chosen not to adopt CICA Handbook Sections 3862 and 3863 however, in accordance with Section 3855 (Financial Instruments - Recognition and Measurement) of the Canadian Institute of Chartered Accountants (CICA) handbook. These financial instruments are designated and measured as follows:

Financial Instruments	**Category**	**Measurement**
Cash and cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Investments - bonds	Held-to-maturity	Amortized cost
Investments - trust units	Available for sale	Fair value
Accounts payable	Other financial liabilities	Amortized cost
Long term debt	Other financial liabilities	Amortized cost

All financial instruments must initially be recognized at fair value on the statement of financial position. Subsequent measurement of the financial instruments is based on their category classification.

e) 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 expensed at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

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

2. Significant accounting policies (continued)

g) 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 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 Aspen View Regional Division No. 19 does not make pension contributions for certificated staff.

The School Board 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 $651,593 for the year ended August 31, 2011 (2010 - $599,962). At December 31, 2010, the Local Authorities Pension Plan reported an actuarial deficiency of $4,635,250,000 (2009 a deficiency of $3,998,614,000).

h) Prepaid expenses

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

i) 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 capital purposes. Such reserves are appropriations of unrestricted net assets.

j) Contributed services

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. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

k) Employee future benefits

The division accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2011, the recorded obligation is $421,000 (2010 - $369,234). The total expense recorded in the financial statements is $51,766 (2010 - $53,262).

l) Investments

Some short term investments are valued at fair market value as they were classified as available-for-sale. The fair values of the recognized investments are determined based on the available market information. Realized investment income is reported on the Statement of Operating Revenues and Expenditures. Unrealized gains and losses are reported on the Statement of Changes in Net Assets.

Long term investments are valued at the amortized cost, or where there has been other than a temporary impairment in the value of the investment, at market value.

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

2. Significant accounting policies (continued)

m) 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 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 in this note.

n) Cash and temporary investments

Cash includes cash and cash equivalents. Cash equivalents include temporary investments that are due within one year. Carrying value approximates fair market value as the investments mature within one year. Some investments are carried at fair market value due their classification as available-for-sale.

o) Future accounting changes

The division will be adopting new accounting standards for public sector accounting standards (PSAB) of the CICA Handbook without reference to the not-for-profit standards. Management is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2013.

3. Cash and temporary investments		**2011**		2010
Cash	$	**1,958,370**	$	2,305,986
Fixed income bonds		**-**		500,734
Trust units		**3,488,136**		5,962,876
	$	**5,446,506**	$	8,769,596

Included in bank accounts is a restricted amount of $576,839 (2010 – $1,298,186) received from various grant authorities and held exclusively for capital and operating projects (Note 8/9).

The fair market value of the cash account is $1,958,370 (2010 - $2,305,986). The fair market value of the fixed income bonds is $nil (2010 - $556,400). The amortized cost of the trust units is $3,501,924 (2010 - $5,586,436).

The division has invested surplus funds in accordance with Section 60(2)(d) of the *School Act*.

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

4. Accounts receivable

	2011	2010
Alberta Education	$ **891,932**	$ 90,735
Alberta Finance	**67,187**	96,354
Federal Government	**166,654**	293,144
Other accounts receivable	**93,205**	80,656
	$ **1,218,978**	$ 560,889

5. School generated funds

	2011	2010
Balance, beginning of year	$ **602,967**	$ 566,531
Source of school generated funds (SGF)		
SGF for the year	**2,228,848**	2,114,872
Less: cost of generating SGF	**(1,672,865)**	(1,523,314)
Net SGF additions for the year	**555,983**	591,558
Net SGF available for discretionary spending	**1,158,950**	1,158,089
SGF expended for discretionary purposes	**590,309**	555,122
Balance, end of year	$ **568,641**	$ 602,967

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended December 31, 2011

6. Tangible capital assets

	Land $	Construction In Progress $	Buildings $	Equipment $	Vehicles $	Equipment under capital lease $	**2011 Total** $	2010 Total $
Estimated useful life			*10 - 40 years*	*5 - 10 years*	*5 - 10 years*	*5 - 10 years*		
Historical cost								
September 1, 2010	330,335	7,694,519	29,247,935	801,443	1,294,704	1,260,092	**40,629,028**	33,432,322
Additions		4,735,684	12,461,307	142,006	18,768	642,289	**18,000,054**	7,196,706
Less disposals including write-offs		(12,430,203)	(88,323)		(71,817)		**(12,590,343)**	-
August 31, 2011	330,335	-	41,620,919	943,449	1,241,655	1,902,381	**46,038,739**	40,629,028
Accumulated amortization								
September 1, 2010	-	-	22,026,931	603,604	594,334	1,061,299	**24,286,168**	23,280,777
Amortization expense	-	-	636,058	24,721	118,392	99,396	**878,567**	1,005,391
Effect of disposals	-	-	(88,323)		(71,817)		**(160,140)**	-
August 31, 2011	-	-	22,574,666	628,325	640,909	1,160,695	**25,004,595**	24,286,168
Net book value at August 31, 2011	330,335	-	19,046,253	315,124	600,746	741,686	**21,034,144**	16,342,860

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

7. Accounts payable and accrued liabilities

	2011	2010
Alberta Finance	$ **67,187**	$ 96,354
Other trade payables and accrued liabilities	**2,448,053**	2,619,644
	$ **2,515,240**	$ 2,715,998

8. Deferred revenue

Source and Grant or Fund Type	Deferred Revenue as at Aug. 31, 2010	Add: 2010-11 Restricted Funds Received/ Receivable	Deduct: 2010-11 Restricted Funds Expended (Paid/Payable)	Deferred Revenue as at Aug. 31, 2011
Alberta Education Restricted Operational Funding				
Infrastructure maintenance renewal	$ 28,331	$ 644,958	$ (540,949)	$ **132,340**
Alberta Initiative for School Improvement	-	75,972	-	**75,972**
Other Restricted Revenue				
Career Corner	3,343	-	(3,343)	**-**
Children & Youth with Complex Needs	-	30,000	(30,000)	**-**
CTS Evergreen	16,168	107,424	(110,880)	**12,712**
Education Children & Youth Service	108,786	-	(5,949)	**102,837**
High School Completion	55,966	-	(55,966)	**-**
Joe Shelast Grant	-	68,000	(16,672)	**51,328**
Moving & Improving	8,625	-	-	**8,625**
Software as a Service	56,534	-	(56,534)	**-**
Other programs	2,000	-	-	**2,000**
	$ 279,753	$ 926,354	$ (820,293)	$ **385,814**

9. Deferred capital allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose received or receivable by the division, but the related expenditure had not been made at year end. When expended, these deferred capital allocations are transferred to unamortized capital allocations.

	2011	2010
Consisting of:		
Opening balance	$ **1,018,433**	$ 5,127,044
Capital funding received	**3,799,619**	1,950,380
Interest earned	**16,110**	93,826
Proceeds on disposal of teacherages	**66,025**	-
Expended capital - transferred to unamortized capital allocations	**(4,709,162)**	(6,152,817)
	$ **191,025**	$ 1,018,433

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statement
Year Ended August 31, 2011

10. Long term debt
  a) Debenture debt - supported

The debenture debt bears interest at rates varying between 8% and 10.125%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next four years are as follows:

		2011		2010
Debentures	$	**899,898**	$	1,289,241
Less current portion of debt		**292,993**		389,343
	$	**606,905**	$	899,898

School Year		**Principal**		**Interest**		**Total**
2011-2012	$	292,993	$	81,309	$	374,302
2012-2013		240,330		54,820		295,150
2013-2014		237,903		33,474		271,377
2014-2015		128,672		12,356		141,028
	$	899,898	$	181,959	$	1,081,857

  b) Capital lease - unsupported

During 2006-07, the school division entered into a five year capital lease obligation with Xerox for the lease of photocopiers. The lease included the purchase of nine new copiers and software and extended the terms of payment for the previously leased copiers by three years. The new lease commenced January 1, 2007 and expires August 31, 2012. The lease was extended in August 2011 for another 4 years and expires August 31, 2016. The annual payments of $253,000 plus GST consists of the following components: annual copy charge of $77,805 (based on 7,500,000 copies plus 134,000 colour copies) and a blended capital lease payment of $175,195 bearing interest at 2.963%.

The annual payments under the previous capital lease were $301,506 plus GST. In addition, a number of operating leases were also cancelled when the new capital lease was signed. The prior payment included an annual copy charge of $98,390 and a blended capital lease payment of $203,116. The blended capital lease payments under the new agreement are due over the next five years as follows:

		2011		2010
Capital lease obligation	$	**826,995**	$	355,796
Less current portion of debt		**175,195**		171,090
	$	**651,800**	$	184,706

School Year		**Principal**		**Interest**		**Total**
2011-2012	$	175,195	$	-	$	175,195
2012-2013		155,885		19,310		175,195
2013-2014		160,503		14,692		175,195
2014-2015		165,258		9,937		175,195
2015-2016		170,154		5,041		175,195
	$	826,995	$	48,980	$	875,975

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

11. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

	2011	2010
Consisting of:		
Opening balance	$ **13,275,173**	$ 7,369,669
Expended capital allocations	**4,709,162**	6,152,817
Supported debenture loan principal repayments	**389,343**	389,343
Less capital allocation for amortization	**(606,080)**	(636,656)
	$ **17,767,598**	$ 13,275,173

12. Operating reserves

	Opening	Transfer from operating reserves	Transfer to operating reserves	**Closing**
Career counselling/scholarship	$ 16,000	$ (16,000)	$	$ **-**
C.T.S.	71,683	(51,683)		**20,000**
Instruction - general	1,034,605	(1,034,605)		**-**
Instruction - schools	261,338	(119,049)		**142,289**
Operating contingency	780,094	(780,094)		**-**
Severe disabilities	631,409	(219,475)		**411,934**
Teacherages	18,224	-	5,188	**23,412**
Transportation	605,055	(300,000)		**305,055**
	$ 3,418,408	$ (2,520,906)	$ 5,188	$ **902,690**

13. Capital reserves

	Opening	Transfer to reserve	Transfers from reserves	**Closing**
Buildings	$ 95,000	$ -	$ -	$ **95,000**
Equipment	370,000	-	-	**370,000**
Other	30,392	-	-	**30,392**
	$ 495,392	$ -	$ -	$ **495,392**

14. Financial instruments

It is management's policy to control the risks associated with financial instruments including avoidance of undue concentrations of risk where possible. This requires a credit review history of customers to mitigate credit risk and entering into long term debt contracts with fixed interest rates where possible. The division does not have any foreign currency transactions or hedge activities.

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The division is exposed to minimal credit risk from customers. In order to reduce its credit risk, the division reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The School Board is dependant on Alberta Education as the major provider for funding as discussed in the Economic Dependence note. See Note 22.

b) Fair value

The division's carrying value of cash and temporary investments, accounts receivable and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments. The division has invested surplus funds in accordance with Section 60(2)(d) of the School Act.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the division for debt with similar terms.

c) Interest rate

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

15. Indebtedness

a) Line of credit

The division has a line of credit in the amount of $1,000,000 that bears interest at bank prime less 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement. There was no balance outstanding on the line of credit at August 31, 2011.

b) Credit cards

The division has approved a combined credit card charge limit of $800,000 (2010 - $865,000). The balances are paid in full each month by the due date and no interest charges were incurred during the year. The combined credit card balance outstanding at August 31, 2011 is $110,795 (2010 - $222,217).

c) SBEBA letter of credit

The division has arranged for a $200,000 letter of credit to secure its position in SBEBA. If the division withdraws from SBEBA, the $200,000 will be utilized to fund the exit penalty.

16. Commitments

a) Building projects

The division is committed to further capital expenditures for the modernization of the Vilna School of approximately $11,500,000. It is anticipated that these costs will be fully funded by the capital allocations received from Alberta Education and interest earned on these allocations. The project was completed and in use by September 2011. The expenditures to August 31, 2011 are $11,745,341 (2010 - $7,009,657) of which $26,522 was not funded through grants.

During 2011, the division received approval of $5,000,000 in grant funding to right-size Thorhild Central High School. This right-sizing will result in the combination of Thorhild Central High School, Thorhild Elementary School, and Radway School. This project will commence in May 2012.

b) Operating lease

The school division's current operating lease on office premises expires in June 30, 2024. The annual lease cost incurred in 2010-2011 was $62,570. The rent will be adjusted annually (on the first day of July) by an amount equal to the lessee's proportionate share of operating costs of the previous year.

17. Contingencies

a) Contingent assets

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

b) Contingent liabilities

The division is a member of the reciprocal insurance exchange ALAIRE. Under the terms of membership, the division could become liable for its proportionate share of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

The division is involved in a lawsuit with the former Minister of Education regarding school boundaries established for Lakeland Catholic School Division. Legal fees incurred to date are approximately $484,000. The division is in the process of suspending the lawsuit. Management estimates that there will be no other financial gain or cost.

18. Related party transactions

Effective 2005/06, and in accordance to criteria set out in PSAB 1300, which is the financial reporting framework for the Government of Alberta, school jurisdictions are deemed to be controlled by the Government of Alberta. There is no significant difference between the related party disclosures required under the PSAB and not-for-profit financial reporting framework. 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	
2010/11	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta				
Education	$ 891,932	$ -	$ 34,688,597	$ -
Finance	67,187	967,085	103,306	103,306
Other Gov't of Alberta departments	-	-	(4,316)	-
Other				
Health authorities	-	-	13,607	-
TOTAL 2010/11	**$ 959,119**	**$ 967,085**	**$ 34,801,194**	**$ 103,306**
TOTAL 2009/10	$ 187,089	$ 1,385,595	$ 33,353,982	$ 127,257

ASPEN VIEW REGIONAL DIVISION NO. 19
Notes to Financial Statements
Year Ended August 31, 2011

19. Remuneration and monetary incentives

The Aspen View Regional Division No. 19 had paid or accrued expenses for the year ended August 31, 2011 to/or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits & Allowances	Total	Reimbursed Expenses
Bittorf, Brian (Chairman)	1	$ 21,923	$ 3,671	$ **25,594**	$ 11,248
Fehr, Penny	1	12,427	3,840	**16,267**	9,789
Gerlach, Joe	1	1,509	606	**2,115**	795
Green, Teri	1	2,901	1,518	**4,419**	768
Koehler, Edgar	1	11,475	3,774	**15,249**	8,369
Kowalchuk, Wes	1	17,312	521	**17,834**	11,591
Kuefler, Tammy	1	4,107	420	**4,527**	6,552
Macneil, Dennis	1	8,807	3,165	**11,971**	6,417
Ponich, Paul	1	18,040	32	**18,072**	11,563
Rohatynchuk, Robert	1	13,553	1,515	**15,069**	10,617
Uglanica, Randy	1	14,956	3,332	**18,288**	11,153
Superintendent	1	145,104	13,266	**158,370**	11,085
Secretary/Treasurer	1	105,053	23,586	**128,639**	1,357
Salaries - Certificated	191.7	17,155,463	1,899,224	**19,054,687**	
Salaries - Uncertificated	163.31	7,210,351	1,802,022	**9,012,373**	
		$ 24,742,980	$ 3,760,493	$ **28,503,473**	

20. Asset retirement obligation

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that results from its acquisition, construction, development, or normal operation. The jurisdiction has a legal obligation to remove hazardous material at the site of any school building. It is management's position that no obligation exists at this time and thus no liability has been recognized.

21. Capital disclosures

The division manages its capital to safeguard its ability to deliver services to the schools located within the division boundaries, and in the long term, to continue to plan for and build sufficient physical capacity to meet future needs for school services. The division's overall strategy remains unchanged from 2010.

The majority of the operating funding for the division is from Alberta Education which is received each month. Management monitors its working capital and cash flow forecasts.

The division defines its capital as the amounts included in deferred capital contributions (Note 11) and unrestricted net assets. A significant portion of the division's capital is externally restricted. The division's unrestricted capital is funded primarily by Alberta Education. The division has spending policies and cash management procedures to ensure the division can meet its capital obligations.

21. Capital disclosures (continued)

Alberta Education approves school facilities construction based on long term capital plans and provides the majority of the funding through one-time grants. The division funds the required equipment and systems by a combination of allocating a portion of operating funds and fundraising activities by schools. Capital plans are evaluated each year by management. The division has completed modernizing the Vilna School during the fiscal year.

During 2011, the division received approval of $5,000,000 in grant funding to right-size Thorhild Central High School. This right-sizing will result in the combination of Thorhild Central High School, Thorhild Elementary School, and Radway School. This project will commence in May 2012.

Under the School Act, the division must receive ministerial approval for a deficit budget, borrowing and the sale of any land or buildings. The division has complied with all the externally imposed restrictions of Alberta Education.

22. Economic dependence on related third party

Aspen View Regional Division No.19's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

23. Budget amounts

The budget was prepared by the school division and approved by the Board of Trustees on November 18, 2010. The budget information is presented for information purposes only.

24. Comparative figures
The comparative figures have been reclassified where necessary to conform to the 2011 presentation.

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*Denotes Professional Corporation

November 18, 2011

Aspen View Regional Division No. 19
3600 - 48 Avenue
Athabasca, AB
T9S 1M8

Attention: Mr. Brian Bittorf, Chairman

Dear Mr. Bittorf:

COPY

RE: August 31, 2011 Year End Audit

Enclosed is one copy of the financial statement for the year ended August 31, 2011 and our independence letter dated November 17, 2011. The statement was presented and approved by the Board and management at the November 17, 2011 Board meeting.

Operations for the Year

As shown on page 3 of the financial statement, Aspen View had a planned decline in financial results with a deficiency of revenues over expenditures of ($1,597,651) compared to the 2010 deficiency of ($955,746). Page 5 of the financial statement summarizes the capital adjustments and a net surplus of $801,065 once these amounts are added back. The Schedule of Excess of Revenues over Expenditures after Transfers of the financial statement details the net results by department.

The deficiency is due to a number of factors. One reason was the increase in costs for instruction of students which occurred due to the increase in teacher salaries and retirement packages paid to teachers during the year. The deficiency was funded through reserve transfers.

The school division continues to have a solid working capital ratio and a continued strong cash position. However, the Board needs to continue considering the future viability of individual schools as declining enrollment has resulted in reduced funding and continued deficits. Planning for future school closures and amalgamations is crucial for the continued financial viability of the division.

We commend the Board for addressing this issue by having a Facility Review performed in the year. This resulted in a decision by the Board to amalgamate Thorhild Central School, Thorhild Elementary School, and Radway School in the next school year.

Reserve Funds and Accumulated Surplus

- Operating reserves decreased $2,515,718 and total $902,690 at August 31, 2011 (2010 - $3,418,408). These reserves are internally restricted by the Board and are designated for specific schools and departments. We continue to recommend that they be clearly identified for specific projects or acquisitions by the Board instead of being held as a general contingency reserve. Note 12 to the financial statements details the specifics of the reserves.

- Capital reserves did not change during the year and total $495,392 at August 31, 2011. As capital reserves cannot be used to cover operations without prior ministerial approval, they are reported as externally restricted net assets. Note 13 to the financial statements details the specific plans for the reserves.

In order to provide for potential future funding shortages and provide adequate operating capital, the division needs to maintain sufficient working capital. One guideline to consider is to have a reserve/surplus equal to one month's revenues or approximately 8.33% on hand. This would be approximately $3,340,000 for Aspen View. The discussion of adequate surplus funds is subject to professional judgment. At this time, Aspen has operating reserves and unrestricted surplus of $2,732,122.

The objective of an audit is to obtain reasonable assurance that the financial statements are free of material misstatement. An audit is not specifically designed to identify matters that may be of interest to management and the Board of Trustees in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

During the course of our audit for the year ended August 31, 2011 we identified the following matters which may be of interest to management and the Board:

School Generated Funds – Internal Audits

It is our understanding that School Generated Funds are funds that come under the control and responsibility of the school principals. As such, they become the responsibility of the School Division.

In order to provide assurance that school generated funds and spending are properly accounted for, we continue to rely on Central office to perform internal audits to ensure controls at the school level are operating as described. We commend Central office for completing audits on all twelve schools during the year.

We attended Radway School to do a surprise audit. There were no deficiencies noted during our attendance of Radway School. We plan to continue to perform surprise audits at a minimum of one school during the year. Year end confirmation of bank balances and investments are also an essential audit procedure.

School Generated Funds – Change in Reporting

Under the direction of Alberta Education, the financial reporting of these funds will be changed in 2012 and future years. The School Generated Funds asset will be combined with cash and temporary investments. The School Generated Funds liability will be reported as deferred revenue to the extent that they are unspent for purposes intended.

The revenue and expenses related to School Generated Funds will be combined with similar categories that exist in the financial statements. For example, cafeteria sales will be recorded with other sales and services. A new category of revenue for "Fundraising" will be added to the financial statements. These changes will have an impact on how the school generated funds are accounted for and how year end working papers are prepared. We have discussed this new treatment with Dave Holler. We will continue to work with the finance staff to ensure that future reporting complies with Alberta Education's requirements.

Purchase Card Use

During our audit, it was determined that there was unauthorized use of an administrative support staff's purchase card. Although the amounts that were unauthorized are not material, we are reporting this due to the sensitive nature. It is important to note that this was detected through the effective functioning of your controls through the review of purchase card statements by administrative support staff. We are satisfied that the Board Chair and management have appropriately handled this situation.

Purchase Order Policy

During our audit procedures, we noted that there are informal processes for purchase orders. For example, any purchase order with an individual line item over $5,000 needs to be approved by the Secretary-Treasurer. However, when Administrative policies were reviewed there was no documentation of the approval process or threshold amount. As purchase orders are typically used for large purchases, the approval process should be formalized and communicated to staff. We recommend that you amend the existing purchasing policy to include these details. It is also important that this policy is applied in all situations where a line item over $5,000 appears on a purchase order.

Conversion from Not-for-Profit Organization to Public Sector (PSAB) Accounting Standards

As discussed with management during year end, the School Board will be required to convert to PSAB accounting standards for the year ended August 31, 2013. This will include providing comparative figures under PSAB as well. As the conversion is not occurring until the 2013 year end, there is no action that must be taken in the 2011 year for the conversion process. We look forward to assisting you with this process next year.

Bank Signing Authorities

During the performance of audit procedures for both cash and school generated funds, it was noted that the incorrect signing authorities were on file with the banking institution for both Division Office and some schools. The specific details of these errors were brought to management's attention. We recommend that any errors in signing authorities be corrected immediately to avoid any potential for fraud. The verification of signing authorities should be incorporated into the internal audit procedures for school generated funds.

Accounting Systems and Controls

The Director of Business Services and the accounting staff have provided us with all the accounting records that we required to perform our audit work. We were again impressed with how well prepared the accounting records were this year. The year end audit working papers that were prepared facilitated a more effective and efficient audit.

This communication is prepared solely for the information of management and the Board of Trustees and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Thank you again to Dave and his administrative staff for the excellent assistance provided in the course of the audit. Please feel free to contact Darcie Sabados, C.A. or me at your convenience should you have any questions or comments.

Yours truly,

WILDE & COMPANY

Colette A. Miller

Colette A. Miller, F.C.A., ICD.D
Enclosures
cc Mr. Brian LeMessurier, Superintendent

cc Mr. Dave Holler, Director of Business Services

cc Financial Reporting and Accountability Branch, Alberta Education

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