

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

LIVINGSTONE RANGE SCHOOL DIVISION No. 68

Legal Name of School Jurisdiction

P.O. Box 69, Claresholm, AB T0L 0T0

Mailing Address

403-625-3356 (phone) 403-625-2424 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of **LIVINGSTONE RANGE SCHOOL DIVISION No. 68** presented to Alberta Education have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements, including notes, have been prepared in accordance with generally accepted accounting principles and follow format prescribed by Alberta Education.

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

Board of Trustees Responsibility

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

External Auditors

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

Declaration of Management and Board Chairman

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

BOARD CHAIR

Dick Peterson

Name

Signature

SUPERINTENDENT

Ellie Elliott

Name

Signature

SECRETARY TREASURER OR TREASURER

Don Olsen

Name

Signature

29-Nov-11

Board-approved Release Date

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STATEMENT OF FINANCIAL POSITION
as at August 31, 2011

(in dollars)

		2011	2010
ASSETS			
Current assets			
Cash and temporary investments (Note 3)		\$7,034,834	\$8,967,218
Accounts receivable (net after allowances) (Note 4)		\$1,878,376	\$2,147,739
Prepaid expenses		\$7,867	\$44,778
Other current assets		\$112,721	\$109,807
Total current assets		\$9,033,798	\$11,269,542
School generated assets		\$1,636,063	\$1,593,212
Trust assets (Note 5)		\$30,069	\$5
Long term accounts receivable		\$0	\$0
Long term investments (Note 6)		\$2,329,490	\$2,428,154
Capital assets (Note 7)			
Land		\$1,158,361	\$1,158,361
Construction in progress		\$0	\$0
Buildings	\$60,980,886		
Less: accumulated amortization	(\$33,615,826)	\$27,365,060	\$28,344,335
Equipment	\$784,614		
Less: accumulated amortization	(\$535,943)	\$248,671	\$353,257
Vehicles	\$5,225,745		
Less: accumulated amortization	(\$3,576,574)	\$1,649,171	\$1,718,810
Total capital assets		\$30,421,263	\$31,574,763
TOTAL ASSETS		\$43,450,683	\$46,865,676
LIABILITIES			
Current liabilities			
Bank indebtedness (Note 8)		\$0	\$0
Accounts payable and accrued liabilities (Note 9)		\$2,080,848	\$2,123,309
Deferred revenue (Note 10)		\$1,337,648	\$3,084,346
Deferred capital allocations (Note 11)		\$1,267,639	\$2,071,437
Current portion of long term debt		\$212,260	\$221,947
Total current liabilities		\$4,898,395	\$7,501,039
School generated liabilities		\$1,636,063	\$1,593,212
Trust liabilities (Note 5)		\$30,069	\$5
Employee future benefit liabilities (Note 12)		\$104,137	\$0
Long term debt (Note 13)			
Supported: Debentures and other supported debt		\$577,297	\$799,245
Less: Current portion		(\$212,260)	(\$221,947)
Unsupported: Debentures and capital loans		\$0	\$0
Capital leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion		\$0	\$0
Other long term liabilities (Note 14)		\$2,323,200	\$2,421,598
Unamortized capital allocations (Note 15)		\$25,873,216	\$26,541,802
Total long term liabilities		\$30,331,722	\$31,133,915
TOTAL LIABILITIES		\$35,230,117	\$38,634,954
NET ASSETS			
Unrestricted net assets		\$554,533	\$1,269,916
Operating reserves		\$3,695,283	\$2,727,090
Accumulated operating surplus (deficit)		\$4,249,816	\$3,997,006
Investment in capital assets		\$3,970,750	\$4,233,716
Capital reserves		\$0	\$0
Total capital funds		\$3,970,750	\$4,233,716
Total net assets		\$8,220,566	\$8,230,722
TOTAL LIABILITIES AND NET ASSETS		\$43,450,683	\$46,865,676

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

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2011
(in dollars)

	Actual 2011	Budget 2011	Actual 2010
REVENUES			
Government of Alberta	\$41,704,255	\$39,370,974	\$39,815,882
Federal Government and First Nations	\$2,904,152	\$2,879,650	\$2,753,987
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$156,639	\$137,204	\$159,507
Transportation fees	\$0	\$0	\$0
Other sales and services	\$1,217,046	\$1,164,116	\$1,432,201
Investment income	\$207,629	\$134,667	\$146,156
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$63,136	\$53,500	\$64,084
Gross school generated funds	\$1,213,944	\$1,000,000	\$1,335,586
Gains on disposal of capital assets	\$2,060	\$3,500	\$6,052
Amortization of capital allocations	\$1,739,669	\$1,700,000	\$1,670,913
Other revenue	\$0	\$0	\$0
Total Revenues	\$49,208,530	\$46,443,611	\$47,384,368
EXPENSES			
Certificated salaries (Note 20)	\$20,900,744	\$20,808,985	\$21,376,633
Certificated benefits (Note 20)	\$2,231,273	\$2,169,808	\$2,292,623
Non-certificated salaries and wages (Note 20)	\$8,533,386	\$8,592,339	\$8,864,209
Non-certificated benefits (Note 20)	\$1,766,362	\$1,831,895	\$1,833,498
Services, contracts and supplies	\$12,196,846	\$10,832,656	\$10,708,293
Gross school generated funds	\$1,213,944	\$1,000,000	\$1,335,586
Capital and debt services			
Amortization of capital assets			
Supported	\$1,739,669	\$1,700,000	\$1,670,913
Unsupported	\$541,232	\$538,203	\$544,774
Total Amortization of capital assets	\$2,280,901	\$2,238,203	\$2,215,687
Interest on capital debt			
Supported	\$78,692	\$78,692	\$113,593
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$78,692	\$78,692	\$113,593
Other interest and charges	\$4,580	\$3,500	\$4,723
Losses on disposal of capital assets	\$11,958	\$0	\$19,957
Other expense	\$0	\$0	\$0
Total Expenses	\$49,218,686	\$47,556,078	\$48,764,802
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	(\$10,156)	(\$1,112,467)	(\$1,380,434)
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$10,156)	(\$1,112,467)	(\$1,380,434)

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

STATEMENT OF CASH FLOWS

for the Year Ended August 31, 2011

(in dollars)

	2011	2010
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	(\$10,156)	(\$1,380,434)
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,739,669)	(\$1,670,913)
Total amortization expense	\$2,280,901	\$2,215,687
Gains on disposal of capital assets	(\$2,060)	(\$6,052)
Losses on disposal of capital assets	\$11,958	\$19,957
Changes in:		
Accounts receivable	\$269,363	\$490,187
Prepays and other current assets	\$33,997	\$105,670
Long term accounts receivable	\$0	\$0
Long term investments	\$98,664	\$93,863
Accounts payable and accrued liabilities	(\$140,859)	(\$610,698)
Deferred revenue	(\$1,746,698)	(\$308,710)
Employee future benefit liabilities	\$104,137	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$840,422)	(\$1,051,443)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$849,137)	(\$2,268,132)
Equipment	\$0	(\$126,835)
Vehicles	(\$340,006)	(\$310,407)
Net proceeds from disposal of capital assets	\$51,844	\$19,056
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$1,137,299)	(\$2,686,318)
C. FINANCING ACTIVITIES		
Capital allocations	\$45,339	\$11,177
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$221,948)	(\$347,138)
Add back: supported portion	\$221,946	\$347,138
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$45,337	\$11,177
Net cash flows from during the year	(\$1,932,384)	(\$3,726,584)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$8,967,218	\$12,693,802
Cash and temporary investments, net of bank indebtedness, at Aug. 31/11	\$7,034,834	\$8,967,218

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

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

School Jurisdiction Code: 1135

(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOTAL NET ASSETS Cols. 2+3+4+5	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	INTERNALLY RESTRICTED NET ASSETS											
				TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	School & Instruction Related		Operations & Maintenance		Board & System Administration		Transportation		External Services	
				Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2010	\$8,230,722	\$4,233,716	\$1,269,916	\$2,727,090	\$0	\$1,589,090	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0
<u>Prior period adjustments</u> (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2010	\$8,230,722	\$4,233,716	\$1,269,916	\$2,727,090	\$0	\$1,589,090	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$10,156)		(\$10,156)												
Board funded capital additions		\$340,006	(\$288,162)	\$0	(\$51,844)	\$0	\$0	\$0	(\$960)	\$0	\$0	\$0	(\$50,884)	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$61,740)	\$9,896		\$51,844		\$0		\$960		\$0		\$50,884		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$2,280,901)	\$2,280,901												
Amortization of capital allocations		\$1,739,669	(\$1,739,669)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$968,193)	\$968,193		\$968,193		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0		\$0		\$0		\$0		\$0		\$0		\$0
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Balance at August 31, 2011	\$8,220,566	\$3,970,750	\$554,533	\$3,695,283	\$0	\$2,557,283	\$0	\$528,000	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)**

for the Year Ended August 31, 2011

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2010	\$2,071,437	\$26,541,802
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2010	\$2,071,437	\$26,541,802
Add:		
Restricted capital allocations from:		
Alberta Education school building and modular projects	\$0	
Other Government of Alberta	\$37,973	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$7,366	
Other capital grants and donations	\$0	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
P3, other ASAP and Alberta Infrastructure managed projects		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current year supported debenture principal repayment		\$221,946
Expended capital allocations - current year	(\$849,137)	\$849,137
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$1,739,669
Balance at August 31, 2011	\$1,267,639	\$25,873,216

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

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
Livingstone Range School Division No. 68

We have audited the accompanying financial statements of Livingstone Range School Division No. 68, which comprise the statement of financial position as at August 31, 2011, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended, and a summary of significant accounting policies and other explanatory 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, 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.

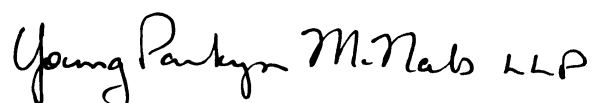
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 Livingstone Range School Division No. 68 as at August 31, 2011, and the results of its operations and its cash flows for the year ended in accordance with Canadian generally accepted accounting principles.

Lethbridge, Alberta



November 29, 2011

Chartered Accountants

1. AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

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

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

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

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received or receivable.

b) Capital Assets

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

Buildings	2.5% to 10%
Vehicles and Buses	10% to 20%
Equipment and Furnishings	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.

c) School Generated Funds

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

d) Vacation Pay

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

e) 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 Livingstone Range School Division No. 68 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 \$442,092 (2010 - \$440,781) for the year ended August 31, 2011. At December 31, 2010, the Local Authorities Pension Plan reported a deficiency of \$4,635,250,000 (2009, a deficiency of \$3,998,614,000). In 2011, the Province recorded a liability of \$410,000,000 (2010 - \$314,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

f) Inventories

Inventories are recorded at the lower of cost or net realizable value. Cost is determined on the basis of the most recent invoice.

g) Prepaid Expenses

Certain expenditures incurred before the close of the school year are for 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.

h) 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.

i) Financial Instruments

Cash and temporary investments are classified as held-for-trading and are reported at estimated fair value.

Accounts receivable and the investment in the Southern Alberta Wind Project have been classified as loans and receivables and are reported at amortized cost using the effective interest method.

Accounts payable and accrued liabilities have been classified as other financial liabilities and are reported at amortized cost using the effective interest method.

It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

j) Operating and Capital Reserves

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

k) Employee future benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

3. CASH AND TEMPORARY INVESTMENTS

	2011			2010		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	0.95%	<u>\$7,034,834</u>	<u>\$7,034,834</u>	0.75%	<u>\$8,967,218</u>	<u>\$8,967,218</u>

Please refer to Note 2 (i).

4. ACCOUNTS RECEIVABLE

	2011	2010
Alberta Education	\$ 1,176,089	\$ 1,193,610
Federal Government	324,594	701,430
Other	122,126	40,142
GST receivable	255,567	212,557
Total	<u>\$ 1,878,376</u>	<u>\$ 2,147,739</u>

5. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction.

	2011	2010
Scholarship Trusts	<u>\$ 30,069</u>	<u>\$ 5</u>

6. LONG TERM INVESTMENTS

The jurisdiction, along with two other school jurisdictions, has invested in the Southern Alberta Wind Farm project for a total project cost of \$6,400,000. The provincial government has contributed \$3,200,000 towards the project, with Livingstone Range School Division contributions totalling \$1,397,120. This investment will be repaid over 20 years (to 2027) including interest at 5%.

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

	Principal	Interest	Total
2011-2012	103,712	114,119	217,831
2012-2013	109,018	108,813	217,831
2013-2014	114,596	103,235	217,831
2014-2015	120,459	97,372	217,831
2015-2016	126,622	91,209	217,831
2016 to maturity	1,755,083	495,842	2,250,925
Total	<u>\$ 2,329,490</u>	<u>\$ 1,010,590</u>	<u>\$ 3,340,080</u>

Please refer to Note 2 (i).

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

7. TANGIBLE CAPITAL ASSETS

	Land	New Building	Buildings	Software	Equipments	Vehicles	Total Aug. 31, 2011	2010
Estimated Useful life			25-40 Years	3-5 Years	5-10 Years	5-10 Years		
Historical cost								
September 1, 2010	\$1,158,361	\$0	\$60,131,749	\$0	\$784,615	\$5,170,788	\$67,245,513	\$64,942,033
Additions	-	-	849,137	-	-	340,006	1,189,143	2,705,375
Transfers in (out)	-	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	(285,049)	(285,049)	(401,895)
August 31, 2011	<u>\$1,158,361</u>	<u>\$0</u>	<u>\$60,980,886</u>	<u>\$0</u>	<u>\$784,615</u>	<u>\$5,225,745</u>	<u>\$68,149,607</u>	<u>\$67,245,513</u>
Accumulated amortization								
September 1, 2010	-	-	31,787,414	-	431,358	3,451,978	35,670,750	33,823,996
Amortization expense	-	-	1,828,412	-	104,584	347,904	2,280,900	2,215,688
Transfers in (out)	-	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	(223,308)	(223,308)	(368,934)
August 31, 2011	-	-	<u>33,615,826</u>	-	<u>535,942</u>	<u>3,576,574</u>	<u>37,728,342</u>	<u>35,670,750</u>
Net Book Value at August 31, 2011	<u>\$1,158,361</u>	<u>\$0</u>	<u>\$ 27,365,060</u>	<u>\$ -</u>	<u>\$ 248,673</u>	<u>\$ 1,649,171</u>	<u>\$ 30,421,265</u>	<u>\$ 31,574,763</u>

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

8. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2011 (2010 - \$0).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2011	2010
Alberta Education	\$ 68,139	\$ 18,459
Alberta Finance	17,568	28,131
Federal Government	3,204	530,864
Other Trade Payables and Accrued Liabilities	1,991,937	1,545,855
Total	\$ 2,080,848	\$ 2,123,309

10. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2010	ADD: 2010/2011 Restricted Funds Received/ Receivable	DEDUCT: 2010/2011 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2010/2011 Adjustments or Returned Funds	DEFERRED REVENUE as at Aug. 31, 2011
Alberta Education Restricted Operational Funding:					
Alberta Initiative for School Improvement	\$304,976	\$527,768	(\$748,982)	\$0	\$83,762
Career and Technology Studies	\$0	\$114,093	(\$12,087)	\$0	\$102,006
Children and Youth with Complex Needs	\$0	\$0	\$0	\$0	\$0
Francophone Student Health Services	\$0	\$0	\$0	\$0	\$0
Infrastructure Maintenance Renewal	\$2,527,336	\$823,460	(\$2,291,313)	\$0	\$1,059,483
Institutional Education Programs	\$0	\$0	\$0	\$0	\$0
Portable/Modular Unit Relocation	\$0	\$0	\$0	\$0	\$0
Regional Consortium	\$0	\$0	\$0	\$0	\$0
Regional Educational Consulting Services	\$0	\$0	\$0	\$0	\$0
Small Class Size Initiative	\$0	\$0	\$0	\$0	\$0
Student Health Initiative (School Authorities)	\$0	\$0	\$0	\$0	\$0
SuperNet Service	\$0	\$0	\$0	\$0	\$0
Other Alberta Education deferred revenue	\$0	\$0	\$0	\$0	\$0
Other Government of Alberta Restricted Funding:	\$0	\$0	\$0	\$0	\$0
Building Connections	\$0	\$0	\$0	\$0	\$0
Skills Canada	\$177,378	\$0	(\$177,378)	\$0	\$0
Bus passes	\$0	\$0	\$0	\$0	\$0
Bridges	\$70,973	\$220,000	(\$202,259)	\$0	\$88,714
Other Deferred Revenue:	\$0	\$0	\$0	\$0	\$0
Cardinal Bus Lines	\$1,850	\$0	\$0	\$0	\$1,850
LCC rent	\$1,833	\$0	\$0	\$0	\$1,833
Pincher Creek F.C.S.S.	\$0	\$0	\$0	\$0	\$0
Crowsnest Pass F.C.S.S.	\$0	\$0	\$0	\$0	\$0
Alberta Health Services	\$0	\$0	\$0	\$0	\$0
First Canada	\$0	\$0	\$0	\$0	\$0
Total	\$3,084,346	\$1,685,321	(\$3,432,019)	\$0	\$1,337,648

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

11. DEFERRED CAPITAL ALLOCATIONS

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

12. SUPPLEMENTAL EXECUTIVE RETIREMENT PENSION PLAN

The School Division is a member of the Supplemental Executive Retirement Pension Plan (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. For the 2010-2011 year, there were three employees who were eligible and participated in the plan.

13. LONG TERM DEBTDebenture Debt – Supported

The debenture debt bears interest at rates varying between 8.875 % and 13.750 %. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	Principal	Interest	Total
2011-2012	212,260	56,066	268,326
2012-2013	99,343	34,580	133,923
2013-2014	63,223	24,583	87,806
2014-2015	63,223	18,653	81,876
2015-2016	58,223	12,720	70,943
2016 to maturity	81,027	10,272	91,299
Total	<u>\$ 577,297</u>	<u>\$ 156,875</u>	<u>\$ 734,172</u>

14. OTHER LONG TERM LIABILITIES

	2011	2010
Southern Alberta Wind Farm project division portion	\$ 1,176,943	\$ 1,226,793
Southern Alberta Wind Farm project government portion	1,146,257	1,194,805
Total	<u>\$ 2,323,200</u>	<u>\$ 2,421,598</u>

The jurisdiction's investment in the Southern Alberta Wind Farm project was \$2,794,240 and consists of a government grant and a divisional contribution each in the amount of \$1,397,120. These amounts will be brought into income over a 20 year period based on a rate of return of 5% on the investment.

Deferred revenue will be brought into income in each of the next five fiscal years and beyond as follows:

	Division	Government	Total
2011-2012	52,398	51,033	103,432
2012-2013	55,080	53,644	108,724
2013-2014	57,898	56,388	114,286
2014-2015	60,860	59,273	120,133
2015-2016	63,974	62,306	126,280
2016 to maturity	886,733	863,612	1,750,345
Total	<u>\$ 1,176,943</u>	<u>\$ 1,146,257</u>	<u>\$ 2,323,200</u>

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

15. 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.

16. ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations represent legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. The jurisdiction has a legal obligation to remove hazardous material located at various buildings upon their disposal. A liability, however, has not been recognized because the fair value of the obligation cannot be readily determined at this stage.

17. COMMITMENTS

The School Division has signed a 20 year service agreement with Enmax to receive electricity at a flat rate, beginning January 1, 2007.

18. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. Livingstone Range School Division No. 68 had related party transactions for the year ended August 31, 2011 with the Government of Alberta recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at the amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta:				
Education	\$1,073,340	\$1,313,390	\$41,619,763	\$0
Infrastructure & Transportation	0	0	0	0
Finance	17,568	17,568	78,692	78,692
Health & Wellness	79,381	0	0	0
Human Resources/Employment	5,800	0	5,800	0
Other Gov't of Alberta departments	0	0	0	0
Other:				
Health authorities	0	0	0	0
Post-secondary institutions	0	0	0	0
Other Alberta school jurisdictions	0	0	0	0
Other related parties	0	0	0	0
TOTAL 2010-2011	<u>\$ 1,176,089</u>	<u>\$ 1,330,958</u>	<u>\$ 41,704,255</u>	<u>\$ 78,692</u>
TOTAL 2009-2010	<u>\$ 1,193,610</u>	<u>\$ 2,878,903</u>	<u>\$ 39,815,882</u>	<u>\$ 113,593</u>

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011

19. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Livingstone Range School Division No. 68's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

20. REMUNERATION AND MONETARY INCENTIVES

Livingstone Range School Division No. 68 has 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:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIP's / Other	Expenses
Chair: Peterson, Dick	1.0	\$17,982	\$4,863	\$0			\$14,329
Burdett, James	1.0	\$12,654	\$4,700	\$0			\$6,467
Decoux-Filipuzzi, Gini	0.0	\$466	\$738	\$0			\$136
Dunlop, Charlene	1.0	\$15,351	\$0	\$0			\$4,863
Hall, Kelly	1.0	\$11,695	\$4,675	\$0			\$4,252
Murray, Ken	0.0	\$2,520	\$806	\$0			\$1,048
Ratcliffe, Martha	1.0	\$13,106	\$4,702	\$0			\$5,218
Scherger, Shannon	1.0	\$12,942	\$3,967	\$0			\$6,877
Thompson, Don	0.0	\$1,808	\$769	\$0			\$419
Yagos, Clara	1.0	\$12,146	\$261	\$0			\$7,619
Subtotal	7.0	\$100,670	\$25,481	\$0			\$51,228
Superintendent	1.0	\$152,860	\$21,119	\$0	\$0	\$0	\$15,654
Secretary/Treasurer	1.0	\$157,342	\$34,508	\$0	\$0	\$0	\$7,501
Certificated Teachers	224.1	\$20,747,884	\$2,210,154	\$0	\$0	\$0	
Non-certificated - Other	230.0	\$8,275,374	\$1,706,373	\$0	\$0	\$0	
TOTALS	463.1	\$29,434,130	\$3,997,635	\$0	\$0	\$0	

21. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees on November 30, 2010. It is presented for information purposes only and has not been audited.

22. COMPARATIVE FIGURES

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

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2011
[School Act, Section 276]

LIVINGSTONE RANGE SCHOOL DIVISION No. 68

Legal Name of School Jurisdiction

P.O. Box 69, Claresholm, AB T0L 0T0

Mailing Address

403-625-3356 (phone) 403-625-2424 (fax)

Telephone and Fax Numbers

Declaration of Secretary-Treasurer / Chief Financial Officer

To the best of my knowledge and belief, these unaudited schedules have been prepared following Alberta Education's reporting requirements for Alberta school jurisdictions. These schedules were submitted to the board for information purposes.

SECRETARY TREASURER OR TREASURER

Name

Signature

Dated

c.c. ALBERTA EDUCATION, Financial Reporting & Accountability Branch
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Wang@gov.ab.ca
PHONE: (780) 644-5672 FAX: (780) 422-6996

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SCHEDULE A

School Jurisdiction Code: 1135

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2010/2011

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$861,777	\$29,124,111	\$6,443,160	\$3,314,148	\$1,876,567	\$0	\$41,619,763
(2) Other - Government of Alberta	\$0	\$0	\$84,492	\$0	\$0	\$0	\$84,492
(3) Federal Government and First Nations	\$0	\$2,584,652	\$183,750	\$0	\$135,750	\$0	\$2,904,152
(4) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(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) Instruction resource fees	\$0	\$156,640					\$156,640
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$1,008,384	\$105,097	\$83,911	\$19,654	\$0	\$1,217,046
(11) Investment income	\$0	\$31,036	\$151,975	\$1,945	\$22,673	\$0	\$207,629
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$0	\$18,936	\$22,200	\$22,000	\$0	\$63,136
(14) Gross school generated funds	\$0	\$1,213,944	\$0	\$0	\$0	\$0	\$1,213,944
(15) Gains on disposal of capital assets	\$0	\$0	\$960	\$1,100	\$0	\$0	\$2,060
(16) Amortization of capital allocations	\$0	\$0	\$1,739,669	\$0		\$0	\$1,739,669
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$861,777	\$34,118,767	\$8,728,039	\$3,423,304	\$2,076,644	\$0	\$49,208,531
EXPENSES							
(19) Certificated salaries	\$569,474	\$19,910,876			\$420,394	\$0	\$20,900,744
(20) Certificated benefits	\$62,249	\$2,105,782			\$63,242	\$0	\$2,231,273
(21) Non-certificated salaries and wages	\$245,622	\$5,689,407	\$1,070,007	\$985,699	\$542,651	\$0	\$8,533,386
(22) Non-certificated benefits	\$37,567	\$1,254,666	\$235,210	\$94,712	\$144,207	\$0	\$1,766,362
(23) SUB - TOTAL	\$914,912	\$28,960,731	\$1,305,217	\$1,080,411	\$1,170,494	\$0	\$33,431,765
(24) Services, contracts and supplies	\$38,308	\$3,969,724	\$5,541,207	\$2,091,500	\$556,107	\$0	\$12,196,846
(25) Gross school generated funds	\$0	\$1,213,944					\$1,213,944
(26) Amortization of capital assets	\$0	\$132,896	\$1,856,733	\$281,917	\$9,355	\$0	\$2,280,901
(27) Interest and charges	\$0	\$0	\$78,692	\$0	\$4,581	\$0	\$83,273
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$11,958	\$0	\$0	\$11,958
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$953,220	\$34,277,295	\$8,781,849	\$3,465,786	\$1,740,537	\$0	\$49,218,687
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$91,443)	(\$158,528)	(\$53,810)	(\$42,482)	\$336,107	\$0	(\$10,156)

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2010/2011**

Unexpended SGF - Opening Balance August 31, 2010 (Note 1)			\$1,593,212
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$644,376	\$304,226	\$340,150
Student fees (non-instructional) (note 1)	\$390,402	\$186,230	\$204,172
Donations and grants to schools	\$151,788	\$38,234	\$113,554
Other (describe):	\$70,229	\$90,028	(\$19,799)
Net Additions to SGF	\$1,256,795	\$618,718	\$638,077
Net SGF Available			\$2,231,289
Uses of Net School Generated Funds:			
Extra-curricular activities			\$355,845
Field trips			\$210,856
Other (describe):			\$28,525
Total Uses of Net SGF (Note 2)			\$595,226
Unexpended SGF - Closing Balance August 31, 2011 (Note 3)			\$1,636,063
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF. 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses. 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position. 			

**SCHEDULE C
OPERATIONS AND MAINTENANCE OF SCHOOLS & MAINTENANCE SHOPS PROGRAM EXPENSE DETAILS - 2010/2011**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR & Modular Unit Relocations	Facility Planning & Operations Administration	Unsupported Amortization & Other Expenses	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$547,573	\$363,523	\$0	\$0	\$158,911		\$1,070,007		\$1,070,007
Uncertificated benefits	\$117,002	\$81,417	\$0	\$0	\$36,791		\$235,210		\$235,210
Sub-total Remuneration	\$664,575	\$444,940	\$0	\$0	\$195,702		\$1,305,217		\$1,305,217
Supplies and services	\$845,625	\$1,122,195	\$78,180	\$2,291,313	\$21,273		\$4,358,586		\$4,358,586
Electricity			\$516,725				\$516,725		\$516,725
Natural gas/heating fuel			\$465,401				\$465,401		\$465,401
Sewer and water			\$113,456				\$113,456		\$113,456
Telecommunications			\$11,657				\$11,657		\$11,657
Insurance					\$75,382		\$75,382		\$75,382
Amortization of capital assets									
Supported								\$1,739,669	\$1,739,669
Unsupported				\$0		\$117,064	\$117,064		\$117,064
Total Amortization				\$0		\$117,064	\$117,064	\$1,739,669	\$1,856,733
Interest on capital debt									
Supported								\$78,692	\$78,692
Unsupported				\$0		\$0	\$0		\$0
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
TOTAL EXPENSES	\$1,510,200	\$1,567,135	\$1,185,419	\$2,291,313	\$292,357	\$117,064	\$6,963,488	\$1,818,361	\$8,781,849
SQUARE METRES									
School buildings									69,805.0
Non school buildings									1,290.0

Note:

Custodial: All expenses related to activities undertaken to keep the school environment and maintenance shops clean and safe.

Maintenance: All expenses associated with the repair, replacement, enhancement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components. Maintenance expenses exclude operational costs related to expensed IMR & Modular Unit relocations, as they are reported on separately.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water and all forms of telecommunications.

Expensed IMR & Modular Unit Relocations: All operational expenses associated with non-capitalized Infrastructure Maintenance Renewal projects (AKA IMP and BQRP) and modular unit (portable) relocations.

Facility Planning & Operations Administration: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees & contractors, school facility planning & project 'administration', administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.