

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Foothills School Division No. 38

Legal Name of School Jurisdiction

P.O. Box 5700 High River AB T1V 1M7

Mailing Address

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Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Foothills School Division No. 38 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

Douglas Gardner

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

James P. McLellan

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Andrew F. Chipman

Name

"ORIGINAL SIGNED"

Signature

18-Nov-09

Board-approved Release Date

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AUDITORS' REPORT

**To: The Board of Trustees
Foothills School Division #38**

We have audited the statement of financial position of Foothills School Division #38 as at August 31, 2009 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2009, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

Catalyst LLP

**CALGARY, ALBERTA
November 4, 2009**

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2009

(in dollars)

	2009	2008 (Note)
ASSETS		
Current assets		
Cash and temporary investments	\$6,420,050	\$4,869,053
Accounts receivable (net after allowances) (Note 3)	\$3,550,858	\$2,444,625
Prepaid expenses	\$237,459	\$185,444
Other current assets	\$0	\$0
Total current assets	\$10,208,367	\$7,499,122
School generated assets		
Trust assets (Note 8)	\$1,309,884	\$1,417,455
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 4)		
Land	\$1,643,103	\$1,643,103
Construction in Progress	\$0	\$0
Buildings	\$104,838,610	
Less: accumulated amortization	(\$50,404,819)	\$54,830,226
Equipment	\$3,672,118	
Less: accumulated amortization	(\$1,608,364)	\$2,218,572
Vehicles	\$6,794,516	
Less: accumulated amortization	(\$4,801,380)	\$2,281,935
Total capital assets	\$60,133,784	\$60,973,836
TOTAL ASSETS	\$72,125,724	\$70,344,016
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$3,903,800	\$1,144,204
Deferred revenue (Note 7)	\$939,040	\$1,221,089
Deferred capital allocations (Note 10)	\$323,185	\$812,340
Current portion of long term debt	\$532,374	\$789,440
Total current liabilities	\$5,698,399	\$3,967,073
School generated liabilities		
Trust liabilities (Note 8)	\$1,309,884	\$1,417,455
Employee future benefit liabilities	\$473,689	\$453,603
	\$26,700	\$26,700
Long term debt (Note 9)		
Supported: Debentures and other supported debt	\$1,928,411	\$2,490,735
Less: Current portion	(\$341,288)	(\$562,324)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$351,477	\$501,461
Mortgages	\$0	\$0
Less: Current portion	(\$191,086)	(\$227,116)
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 12)	\$51,034,747	\$50,796,511
Total long term liabilities	\$54,592,534	\$54,897,025
TOTAL LIABILITIES	\$60,290,933	\$58,864,098
NET ASSETS		
Unrestricted net assets	\$0	\$0
Operating Reserves	\$2,568,396	\$2,213,523
Accumulated Operating Surplus (Deficit)	\$2,568,396	\$2,213,523
Investment in capital assets	\$6,848,600	\$7,233,122
Capital Reserves	\$2,417,795	\$2,033,273
Total Capital Funds	\$9,266,395	\$9,266,395
Total net assets	\$11,834,791	\$11,479,918
TOTAL LIABILITIES AND NET ASSETS	\$72,125,724	\$70,344,016

Note: Please input "(Restated)" in 2008 column heading where comparatives are not taken from the finalized 2007-2008 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2009
(in dollars)

	Actual 2009	Budget 2009 (Note)	Actual 2008 (Note)
REVENUES			
Government of Alberta	\$61,701,372	\$59,101,300	\$58,847,695
Federal Government and First Nations	\$266,049	\$233,500	\$217,539
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	\$564,940	\$415,500	\$665,639
Transportation fees	\$50,960	\$58,000	\$31,555
Other sales and services	\$16,203	\$762,900	\$505,153
Investment income	\$98,785	\$200,000	\$306,569
Gifts and donations	\$0	\$0	\$0
Rental of facilities	\$40,139	\$45,000	\$51,903
Net school generated funds	\$2,056,717	\$1,000,000	\$1,444,458
Gains on disposal of capital assets	\$14,484	\$0	\$3,760
Amortization of capital allocations	\$2,552,326	\$2,559,900	\$2,454,295
Other revenue	\$416,523	\$0	\$0
Total Revenues	\$67,778,498	\$64,376,100	\$64,528,566
EXPENSES			
Certificated salaries (Note 17)	\$33,389,391	\$32,506,600	\$31,762,814
Certificated benefits (Note 17)	\$3,371,898	\$4,548,700	\$3,780,916
Non-certificated salaries and wages (Note 17)	\$9,570,940	\$9,527,100	\$8,570,769
Non-certificated benefits (Note 17)	\$3,062,108	\$2,094,200	\$2,161,050
Services, contracts and supplies	\$11,889,654	\$10,990,000	\$12,490,798
Net school generated funds	\$2,056,717	\$1,000,000	\$1,444,458
Capital and debt services			
Amortization of capital assets			
Supported	\$2,536,180	\$2,559,900	\$2,438,148
Unsupported	\$1,276,373	\$1,394,200	\$1,320,005
Total Amortization of capital assets	\$3,812,553	\$3,954,100	\$3,758,153
Interest on capital debt			
Supported	\$237,255	\$237,300	\$328,210
Unsupported	\$26,529	\$46,400	\$36,180
Total Interest on capital debt	\$263,784	\$283,700	\$364,390
Other interest and charges	\$6,580	\$7,900	\$4,341
Losses on disposal of capital assets		\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$67,423,625	\$64,912,300	\$64,337,689
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$354,873	(\$536,200)	\$190,877
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$354,873	(\$536,200)	\$190,877

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statements filed with Alberta Education. Budget 2009 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2009

(in dollars)

	2009	2008 (Note)
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$354,873	\$190,877
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,552,326)	(\$2,454,295)
Total amortization expense	\$3,812,553	\$3,758,153
Gains on disposal of capital assets	(\$14,484)	(\$3,760)
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$1,106,233)	(\$1,372,842)
Prepays and other current assets	(\$52,015)	\$87,522
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$2,759,596	(\$2,912,938)
Deferred revenue	(\$282,049)	(\$89,545)
Employee future benefit liabilities	\$0	\$26,700
Other (describe)	\$0	\$0
Total cash flows from Operations	\$2,919,915	(\$2,770,128)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,352,089)	(\$4,510,651)
Equipment	(\$587,575)	(\$559,408)
Vehicles	(\$138,064)	(\$544,523)
Net proceeds from disposal of capital assets	\$14,484	\$3,760
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$3,063,244)	(\$5,610,822)
C. FINANCING ACTIVITIES		
Capital allocations	\$1,844,310	\$3,977,319
Issue of long term debt	\$88,711	\$0
Repayment of long term debt	(\$801,019)	(\$1,015,359)
Add back: supported portion	\$562,324	\$810,588
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$1,694,326	\$3,772,548
Net cash flows from during the year	\$1,550,997	(\$4,608,402)
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$4,869,053	\$9,477,455
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$6,420,050	\$4,869,053

Note: Please input "(Restated)" where Actual 2008 comparatives are not as presented in the finalized 2007-2008 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2009**

School Jurisdiction Code: 1180

(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	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 Admin.		Transportation		External Services	
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves
Balance at August 31, 2008	\$11,479,918	\$7,233,122	\$0	\$2,213,523	\$2,033,273	\$1,657,072	\$426,663	\$99,629	\$605,846	\$152,311	\$250,144	\$304,511	\$750,620	\$0	\$0
Prior period adjustments (describe)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2008	\$11,479,918	\$7,233,122	\$0	\$2,213,523	\$2,033,273	\$1,657,072	\$426,663	\$99,629	\$605,846	\$152,311	\$250,144	\$304,511	\$750,620	\$0	\$0
Excess (deficiency) of revenue over expenses	\$354,873		\$354,873												
Board funded capital additions		\$637,010	\$0	\$0	(\$637,010)	\$0	(\$466,990)	\$0	(\$64,666)	\$0	(\$24,074)	\$0	(\$81,280)	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets (board funded portion)	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0										
Amortization of capital assets		(\$3,812,553)	\$3,812,553												
Amortization of capital allocations		\$2,552,326	(\$2,552,326)												
Debt principal repayments (unsupported)		\$238,695	(\$238,695)												
Net transfers to operating reserves			(\$354,873)	\$354,873		\$226,584		\$0		\$28,063		\$100,226		\$0	\$0
Net transfers from operating reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0
Net transfers to capital reserves			(\$1,021,532)		\$1,021,532		\$403,101		\$116,033		\$72,698		\$429,700		\$0
Net transfers from capital reserves			\$0	\$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, 2009	\$11,834,791	\$6,848,600	\$0	\$2,568,396	\$2,417,795	\$1,883,656	\$362,774	\$99,629	\$657,213	\$180,374	\$298,768	\$404,737	\$1,099,040	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2009
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2008	\$812,340	\$50,796,511
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$812,340	\$50,796,511
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$1,794,310	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$50,000	
Net proceeds on disposal of supported capital assets	\$0	
Insurance proceeds (and related interest)	\$0	
Donated capital assets (amortizable, @ fair market value)		\$0
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$562,324
Expended capital allocations - current year	(\$2,333,465)	\$2,333,465
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$105,227
Capital allocations amortized to revenue		\$2,552,326
Balance at August 31, 2009	\$323,185	\$51,034,747

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

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

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 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

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.

Funding from the provincial government and other agencies that are externally restricted for purchases of capital assets are recorded as deferred capital allocations until spent. Interest earned on these deferred capital allocations is also recorded as deferred capital allocations until spent on capital projects. Once spent, they are transferred to unamortized capital allocations, and are amortized on the same basis as the capital assets to which the funding relates.

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

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

b. Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives on a straight-line basis, commencing in the year following addition up to and including the year of disposal. Only assets with a value greater than \$5,000 are capitalized and amortized. The annual amortization rates are as follows:

Buildings	3-6%
Equipment	20%
Vehicles	10-20%
Computer Hardware/Software	20%

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.). Funds generated from school-based activities are recorded as follows:

Unexpended school generated funds are recorded as an asset and liability of the school jurisdiction as the use of these funds is subject to restrictions imposed by the individual fund raising group.

Costs of generating school funds include direct expenses incurred in generating these funds. Amounts expended on school activities, supplies, other instructional expenses or capital items are reported as application of school generated funds for the year.

d. Vacation Pay

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

e. Pensions

Pension costs included in salaries and benefits comprise the cost of employer contributions for current service of employees during the year.

The current and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Foothills School Division No. 38 (the "Division") does not make pension contributions for certificated staff; therefore no disclosure has been made with regard to the effect of the Division's teachers' participation in the pension plan.

The Division participates in a multi-employer pension plan (the Local Authorities Pension Plan) for non-certificated staff and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$608,690 (2008 - \$506,517) and is included in salaries, wages and benefits as at August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported a deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000). Effective for the 2008-2009 fiscal year, the Government of Alberta has taken responsibilities for the LAP unfunded liabilities.

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

e. Pensions (continued)

The Division also has a non-registered Supplemental Employee Retirement Pension Plan (SERP), which is a defined benefit plan for designated employees. The benefits are based on years of service and the employee's final average earnings.

The Division accrues its obligations under employee defined benefit plans as the employees render the services necessary to earn the pension.

f. 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.

g. Contributed services

Volunteers contribute a considerable number of hours per year to schools to ensure 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.

h. Financial instruments

The division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, capital lease obligation and long-term debt. It is management's opinion that the division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted the fair value of these financial instruments approximates their carrying values. The division has invested surplus funds in accordance with Section 60(2)(d) of the School Act.

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.

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

3. ACCOUNTS RECEIVABLE

	<u>2009</u>	<u>2008</u>
Alberta Education	\$ 39,038	\$ 0
Alberta Finance	2,076,878	1,468,036
Federal Government	115,179	164,588
Other	1,319,763	812,001
Total	<u>\$ 3,550,858</u>	<u>\$ 2,444,625</u>

4. CAPITAL ASSETS

	<u>2009</u>		<u>2008</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1,643,103	\$ -	\$ 1,643,103	\$ 1,643,103
Buildings	104,838,610	50,404,819	54,433,791	54,830,226
Equipment	3,672,118	1,608,364	2,063,754	2,218,572
Vehicles	6,794,516	4,801,380	1,993,136	2,281,935
	<u>\$116,948,347</u>	<u>\$ 56,814,563</u>	<u>\$60,133,784</u>	<u>\$60,973,836</u>

5. OPERATING LOAN

The Division has a credit facility agreement in place that permits borrowing upon written request and approval by the Board of Trustees at competitive rates. No collateral security will be required for the facility other than the standard Banking Resolutions and confirmation of the legal ability to borrow. As at August 31, 2009, the Division has not needed to request borrowing against this facility.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2009</u>	<u>2008</u>
Alberta Education	\$ 12,746	\$ 26,317
Federal Government	0	9,581
Other Trade Payables and Accrued Liabilities	3,891,054	1,108,306
Total	<u>\$ 3,903,800</u>	<u>\$ 1,144,204</u>

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

7. DEFERRED REVENUE

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug 31, 2008	ADD: 2008/2009 Restricted Funds Received/ Receivable	DEDUCT: 2008/2009 Restricted Funds Expended (Paid/Payable)	ADD(DEDUCT): 2008/2009 Adjustments Or Returned Funds	DEFERRED REVENUE as at Aug 31, 2009
Alberta Education Restricted Operational Funding:					
Alberta Initiative for School Improvement	282,645		282,645		0
Infrastructure Maintenance Renewal	329,780	1,040,321	891,802		478,299
Portable/Modular Unit relocation	115,186	558,273	673,459		0
Student Health Initiative (School authorities)	89,601		89,601		0
Other Government of Alberta Restricted Funding:					
Classroom resources	156,000				156,000
Video conferencing	21,319	3,523	21,319		3,523
Technology in the Classroom	0	294,118			294,118
Other Deferred Revenue:					
Bussing Fees	4,550	7,100	4,550		7,100
Student Fees	11,271		11,271		0
Heros Program Funding	8,406		8,406		0
Technology Funding	202,331		202,331		0
Total	1,221,089	1,903,335	2,185,384		939,040

8. TRUST ASSETS AND LIABILITIES

	<u>2009</u>	<u>2008</u>
Scholarship Trusts	\$ 473,689	\$ 453,603

9. LONG TERM DEBT

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. Debenture payments due over the next five years and beyond are:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-2010	\$ 341,288	\$ 176,038	\$ 517,326
2010-2011	231,083	141,346	372,429
2011-2012	184,800	119,878	304,678
2012-2013	184,800	103,558	288,358
2013-2014	184,800	87,239	272,039
2014 to maturity	801,640	193,756	995,396
Total	\$ 1,928,411	\$ 821,815	\$ 2,750,226

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009

10. 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.

11. OBLIGATIONS UNDER CAPITAL LEASE

Under terms of various equipment leases expiring between September 2009 and July 2014, the Division is committed to minimum annual lease payments, including interest at annual rates from 4.58% to 7.83% as follows:

2010	\$	202,836
2011		95,079
2012		47,180
2013		19,880
		<u>6,008</u>
Total future minimum lease payments		370,983
Less amount representing interest		<u>19,506</u>
Present value of minimum net lease payments		351,477
Less current portion		<u>191,086</u>
	\$	<u><u>160,391</u></u>

12. 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.

13. 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 no known asset retirement obligations.

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

14. COMMITMENT

Service Providers

As at August 31, 2009, the Division has annual commitments of \$2,625,000 (2008 - \$2,570,000) to a service provider. Current contracts will expire in June 30, 2011 and be renegotiated at that time.

Building Projects

As at August 31, 2009, the Division is committed to capital expenditures for the modernization of Percy Pegler School of approximately \$4,000,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

15. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in PSAB 1300. All entities consolidated or accounted for on a modified equity basis in the accounts of the Government of Alberta are now related parties of school jurisdictions. These include government departments, health authorities, post-secondary institutions and other school jurisdictions in Alberta. Foothills School Division No. 38 had related party transactions for the year ended August 31, 2009 recorded on the Statement of Revenues and Expenses and Statement of Financial Position, at amount of consideration agreed upon between the related parties.

	Balances		Transactions	
	Assets (@ cost or net realizable,value)	Liabilities (@ fair value)	Revenues	Expenses
2008 – 2009				
Government of Alberta				
Education	39,038	12,746	61,701,372	0
Infrastructure & Transportation	0	0	0	0
Finance	2,076,878	0	0	0
Health & Wellness	0	0	0	0
Human Resources/Employment	0	0	0	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 2008 – 2009	2,115,916	12,746	61,701,372	0
Total 2007 – 2008	1,468,036	26,317	58,847,695	0

16. ECONOMIC DEPENDENCE

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

**FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009**

17. REMUNERATION AND MONETARY INCENTIVES

The Foothills School Division had paid or accrued expenses for the year ended August 31, 2009 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							
Gardener, Doug	1.0	19,732					12,567
Other members							
Muelaner, Jerry	1.0	20,528	843				10,849
Froc, Diana	1.0	14,889	568				5,864
Lyons, Jay	1.0	13,142					2,500
Copland, Laurie	1.0	13,527	501				2,347
Subtotal	5.0	\$81,818	\$1,912				\$34,127
Superintendent							
McLellan, James	1.0	151,860	10,187				7,059
Secretary/Treasurer							
Chipman, Drew	1.0	132,353	23,008				6,422
Certificated Teachers	413.0	33,237,531	3,361,711				
Non-certificated – Other	242.0	9,356,769	3,037,188				
TOTALS		\$42,960,331	\$6,434,006				\$47,608

No allowances or performance bonuses have been paid during the year.

18. BUDGET AMOUNTS

The budget was prepared by the school division and approved by the Board of Trustees on December 17, 2008. It is presented for information purposes only and has not been audited.

19. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the 2009 presentation.

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2009
[School Act, Section 276]

Foothills School Division No. 38

Legal Name of School Jurisdiction

P.O. Box 5700 High River AB T1V 1M7

Mailing Address

403-652-3001 (phone) 403-652-4204 (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

Andrew F. Chipman
Name

"SIGNED AND DATED ELECTRONICALLY"
Signature

18-Nov-09

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: 1180

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2008-2009

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$1,911,693	\$47,215,878	\$4,968,964	\$3,550,004	\$2,296,850	\$0	\$59,943,389
(2) Other - Government of Alberta	\$0	\$80,460	\$1,676,078	\$0	\$1,445	\$0	\$1,757,983
(3) Federal Government and First Nations	\$0	\$255,977	\$0	\$0	\$10,072	\$0	\$266,049
(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	\$564,940					\$564,940
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$50,960			\$50,960
(10) Other sales and services	\$0	\$0	\$0	\$0	\$16,203	\$0	\$16,203
(11) Investment income	\$988	\$66,186	\$19,757	\$7,903	\$3,951	\$0	\$98,785
(12) Gifts and donations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(13) Rental of facilities	\$0	\$31,259	\$8,880	\$0	\$0	\$0	\$40,139
(14) Net school generated funds	\$0	\$2,056,717	\$0	\$0	\$0	\$0	\$2,056,717
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$14,484	\$0	\$0	\$14,484
(16) Amortization of capital allocations	\$0	\$0	\$2,552,326	\$0	\$0	\$0	\$2,552,326
(17) Other revenue	\$76,369	\$136,617	\$7,488	\$196,049			\$416,523
(18) TOTAL REVENUES	\$1,989,050	\$50,408,034	\$9,233,493	\$3,819,400	\$2,328,521	\$0	\$67,778,498
EXPENSES							
(19) Certificated salaries	\$928,145	\$32,021,283			\$439,963	\$0	\$33,389,391
(20) Certificated benefits	\$124,493	\$3,218,005			\$29,400	\$0	\$3,371,898
(21) Non-certificated salaries and wages	\$491,162	\$5,714,406	\$701,304	\$1,775,783	\$888,285	\$0	\$9,570,940
(22) Non-certificated benefits	\$87,392	\$2,237,167	\$149,571	\$387,368	\$200,610	\$0	\$3,062,108
(23) SUB - TOTAL	\$1,631,192	\$43,190,861	\$850,875	\$2,163,151	\$1,558,258	\$0	\$49,394,337
(24) Services, contracts and supplies	\$357,858	\$4,132,314	\$5,704,547	\$1,026,323	\$668,612	\$0	\$11,889,654
(25) Net school generated funds	\$0	\$2,056,717					\$2,056,717
(26) Amortization of capital assets	\$0	\$672,426	\$2,652,213	\$415,216	\$72,698	\$0	\$3,812,553
(27) Interest and charges	\$0	\$30,763	\$238,132	\$0	\$1,469	\$0	\$270,364
(28) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$1,989,050	\$50,083,081	\$9,445,767	\$3,604,690	\$2,301,037	\$0	\$67,423,625
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$0	\$324,953	(\$212,274)	\$214,710	\$27,484	\$0	\$354,873

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2008-2009**

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)			\$1,417,455
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$995,234	\$950,218	\$45,016
Student fees (Non-Instructional) (Note 1)	\$1,627,828	\$452,632	\$1,175,196
Donations and grants to schools	\$659,596	\$0	\$659,596
Other (describe):	\$108,605	\$39,267	\$69,338
Net Additions to SGF	\$3,391,263	\$1,442,117	\$1,949,146
Net SGF Available			\$3,366,601
Uses of Net School Generated Funds:			
Extra-curricular activities			\$997,707
Field Trips			\$359,938
Other (describe):			\$699,072
Total Uses of Net SGF (Note 2)			\$2,056,717
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)			\$1,309,884

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.

Notes:

- 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
- 2 Total uses of net SGF is reported as revenue and expense in the Statement of Revenues & Expenses of the Financial Statements.
- 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 - 2008-2009**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMR and 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	\$0	\$474,961	\$0	\$25,026	\$201,317		\$701,304		\$701,304
Uncertificated benefits	\$0	\$93,321	\$0	\$11,638	\$44,612		\$149,571		\$149,571
Sub-total Remuneration	\$0	\$568,282	\$0	\$36,664	\$245,929		\$850,875		\$850,875
Supplies and services	\$2,544,812	\$52,886	\$101,804	\$1,617,412	\$4,100		\$4,321,014		\$4,321,014
Electricity			\$566,763				\$566,763		\$566,763
Natural Gas/Heating Fuel			\$486,204				\$486,204		\$486,204
Sewer and Water			\$126,038				\$126,038		\$126,038
Telecommunications			\$15,499				\$15,499		\$15,499
Insurance					\$189,029		\$189,029		\$189,029
Amortization of capital assets									
Supported								\$2,536,180	\$2,536,180
Unsupported						\$116,033	\$116,033		\$116,033
Total Amortization						\$116,033	\$116,033	\$2,536,180	\$2,652,213
Interest on capital debt									
Supported								\$237,255	\$237,255
Unsupported				\$0		\$877	\$877		\$877
Other interest charges						\$0	\$0		\$0
Losses on disposal of capital assets						\$0	\$0		\$0
TOTAL EXPENSES	\$2,544,812	\$621,168	\$1,296,308	\$1,654,076	\$439,058	\$116,910	\$6,672,332	\$2,773,435	\$9,445,767
SQUARE METRES									
School Buildings									85,569.4
Non School Buildings									3,550.2

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.