

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

Peace Wapiti School Division No. 76

Legal Name of School Jurisdiction

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Mailing Address

Telephone 780-532-8133 Fax 780-5324234

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Peace Wapiti School Division No. 76 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

Mrs. Stacey Pelland
Name

Original Signed
Signature

SUPERINTENDENT

Mr. G. Sheldon Rowe
Name

Original Signed
Signature

SECRETARY TREASURER OR TREASURER

Mrs. Leslie Cage
Name

Original Signed
Signature

October 29, 2009

Board-approved Release Date

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AUDITORS' REPORT

To the Board of Trustees of **Peace Wapiti School Division No. 76**

We have audited the statement of financial position of **Peace Wapiti School Division No. 76** 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 audited financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these audited 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 the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited 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.

Grande Prairie, Alberta
October 9, 2009

Fletcher Mudryk & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31, 2009

(in dollars)

	2009	2008 (Note)
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$5,115,715	\$16,249,082
Accounts receivable (net after allowances) (Note 4)	\$5,541,487	\$2,980,050
Prepaid expenses	\$395,874	\$162,505
Other current assets	\$443,484	\$393,826
Total current assets	\$11,496,560	\$19,785,463
School generated assets	\$1,067,607	\$1,021,111
Trust assets (Note 9)	\$70,203	\$85,931
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 5)		
Land	\$1,908,250	\$1,908,250
Construction in Progress	\$38,387,191	\$29,382,049
Buildings	\$67,215,622	
Less: accumulated amortization	(\$43,566,522)	\$25,404,233
Equipment	\$3,601,863	
Less: accumulated amortization	(\$2,431,117)	\$1,308,376
Vehicles	\$11,244,616	
Less: accumulated amortization	(\$5,932,394)	\$5,609,042
Total capital assets	\$70,427,509	\$63,611,950
TOTAL ASSETS	\$83,061,879	\$84,504,455
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 6)	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$3,810,223	\$6,922,582
Deferred revenue (Note 8)	\$1,470,378	\$1,805,276
Deferred capital allocations (Note 11)	\$287,385	\$5,296,727
Current portion of long term debt	\$1,068,310	\$1,161,941
Total current liabilities	\$6,636,296	\$15,186,526
School generated liabilities	\$1,067,607	\$1,021,111
Trust liabilities (Note 9)	\$70,203	\$85,931
Employee future benefit liabilities	\$0	\$502,516
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$4,775,270	\$5,937,211
Less: Current portion	(\$1,068,310)	(\$1,161,941)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion	\$0	\$0
Other long term liabilities	\$0	\$0
Unamortized capital allocations (Note 12)	\$55,169,495	\$46,725,688
Total long term liabilities	\$60,014,265	\$53,110,516
TOTAL LIABILITIES	\$66,650,561	\$68,297,042
NET ASSETS		
Unrestricted net assets	\$38,274	\$126,727
Operating Reserves	\$2,084,746	\$2,845,566
Accumulated Operating Surplus (Deficit)	\$2,123,020	\$2,972,293
Investment in capital assets	\$10,482,743	\$10,949,050
Capital Reserves	\$3,805,556	\$2,286,070
Total Capital Funds	\$14,288,299	\$13,235,120
Total net assets	\$16,411,319	\$16,207,413
TOTAL LIABILITIES AND NET ASSETS	\$83,061,880	\$84,504,455

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	\$57,991,324	\$55,730,229	\$55,438,689
Federal Government and First Nations	\$1,354,976	\$1,238,950	\$1,192,864
Other Alberta school authorities	\$454,301	\$373,600	\$407,146
Out of province authorities	\$276,253	\$323,000	\$314,048
Alberta Municipalities-special tax levies	\$0	\$66,860	\$0
Instruction resource fees	\$612,441	\$466,840	\$491,032
Transportation fees	\$0	\$0	\$0
Other sales and services	\$555,764	\$465,000	\$452,839
Investment income	\$252,038	\$260,800	\$472,166
Gifts and donations	\$194,087	\$75,000	\$331,243
Rental of facilities	\$223,454	\$325,060	\$348,430
Net school generated funds	\$1,488,894	\$1,300,000	\$1,296,309
Gains on disposal of capital assets	\$153,180	\$78,650	\$90,161
Amortization of capital allocations	\$1,756,653	\$1,692,000	\$1,883,149
Other revenue	\$185,674	\$0	\$0
Total Revenues	\$65,499,039	\$62,395,989	\$62,718,076
EXPENSES			
Certificated salaries (Note 18)	\$27,540,333	\$27,693,756	\$26,919,897
Certificated benefits (Note 18)	\$2,911,028	\$2,822,387	\$3,004,157
Non-certificated salaries and wages (Note 18)	\$11,531,889	\$11,515,309	\$10,703,636
Non-certificated benefits (Note 18)	\$2,388,339	\$2,523,938	\$2,354,487
Services, contracts and supplies	\$15,674,306	\$12,980,619	\$13,234,728
Net school generated funds	\$1,488,894	\$1,300,000	\$1,296,309
Capital and debt services			
Amortization of capital assets			
Supported	\$1,756,653	\$1,692,000	\$1,883,149
Unsupported	\$1,472,556	\$1,405,290	\$1,431,722
Total Amortization of capital assets	\$3,229,209	\$3,097,290	\$3,314,871
Interest on capital debt			
Supported	\$527,533	\$565,000	\$657,407
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$527,533	\$565,000	\$657,407
Other interest and charges	\$3,602	\$4,250	\$3,865
Losses on disposal of capital assets	\$0	\$0	\$7,211
Other expense	\$0	\$0	\$0
Total Expenses	\$65,295,133	\$62,502,549	\$61,496,568
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$203,906	(\$106,560)	\$1,221,508
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$203,906	(\$106,560)	\$1,221,508

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	\$203,906	\$1,221,408
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$1,756,653)	(\$1,883,149)
Total amortization expense	\$3,229,209	\$3,314,871
Gains on disposal of capital assets	(\$153,180)	(\$90,161)
Losses on disposal of capital assets	\$0	\$7,211
Changes in:		
Accounts receivable	(\$2,561,437)	(\$707,921)
Prepays and other current assets	(\$283,027)	(\$66,617)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$3,112,359)	\$3,416,826
Deferred revenue	(\$334,898)	\$8,219
Employee future benefit liabilities	(\$502,516)	(\$71,744)
Other (describe)	\$0	\$0
Total cash flows from Operations	(\$5,270,955)	\$5,148,943
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$7,967,747)	(\$25,586,106)
Equipment	(\$1,358,920)	(\$167,537)
Vehicles	(\$735,595)	(\$955,692)
Net proceeds from disposal of capital assets	\$170,673	\$95,899
Other (describe)	(\$2,938)	(\$60,484)
Total cash flows from Investing activities	(\$9,894,527)	(\$26,673,920)
C. FINANCING ACTIVITIES		
Capital allocations	\$4,032,115	\$26,916,729
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,161,941)	(\$1,274,682)
Add back: supported portion	\$1,161,941	\$1,274,682
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$4,032,115	\$26,916,729
Net cash flows from during the year	(\$11,133,367)	\$5,391,752
Cash and temporary investments, net of bank indebtedness, at Aug. 31/08	\$16,249,082	\$10,857,330
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$5,115,715	\$16,249,082

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: 177

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) INTERNALLY RESTRICTED NET ASSETS						(5) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(6) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	(7) School & Instruction Related		(8) Operations & Maintenance		(9) Board & System Admin.		(10) Transportation		(11) External Services	
				Operating Reserves Cols. 6+8+10+12+14	Capital Reserves Cols. 7+9+11+13+15	Operating Reserves	Capital Reserves	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, 2008	\$16,207,413	\$10,949,050	\$126,727	\$2,845,566	\$2,286,070	\$1,993,782	\$32,530	\$780,894	\$128,339	\$33,390	\$491,236	\$37,500	\$1,633,965	\$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	\$16,207,413	\$10,949,050	\$126,727	\$2,845,566	\$2,286,070	\$1,993,782	\$32,530	\$780,894	\$128,339	\$33,390	\$491,236	\$37,500	\$1,633,965	\$0	\$0						
Excess (deficiency) of revenue over expenses	\$203,906		\$203,906																		
Board funded capital additions		\$1,023,742	\$0	\$0	\$1,023,742	\$0	(\$199,538)	\$0	(\$137,650)	\$0	\$0	\$0	(\$686,554)	\$0	\$0						
Disposal of unsupported capital assets	\$0	(\$17,493)	\$17,493		\$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																		
Amortization of capital assets		(\$3,229,209)	\$3,229,209																		
Amortization of capital allocations		\$1,756,653	(\$1,756,653)																		
Debt principal repayments (unsupported)		\$0	\$0																		
Net transfers to operating reserves			(\$1,248,640)	\$1,248,640		\$846,761	\$64,393			\$0		\$337,486		\$0							
Net transfers from operating reserves			\$2,009,460	(\$2,009,460)		(\$1,289,529)	(\$450,000)			(\$1,181)		(\$288,750)		\$0							
Net transfers to capital reserves			(\$2,543,228)		\$2,543,228		\$348,341		\$518,041		\$238,492		\$1,438,354		\$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, 2009	\$16,411,319	\$10,482,743	\$38,274	\$2,084,746	\$3,805,556	\$1,551,014	\$181,333	\$395,287	\$508,730	\$32,209	\$729,728	\$106,236	\$2,385,765	\$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	\$5,296,727	\$46,725,688
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2008	\$5,296,727	\$46,725,688
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$3,546,448	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$482,067	
Interest earned on provincial government capital allocations	\$3,600	
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
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$1,161,941
Expended capital allocations - current year	(\$9,038,519)	\$9,038,519
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$2,938	\$0
Capital allocations amortized to revenue		\$1,756,653
Balance at August 31, 2009	\$287,385	\$55,169,495

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

**PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009**

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 School 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**

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 judgement. 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:

Inventories

Inventory consists of transportation and maintenance parts and supplies, diesel and other supplies and is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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 4%
Vehicles and buses	9% to 12.5%
Equipment and furnishings	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. No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income.

Investments

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

**PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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.).

Vacation pay

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

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.

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 Peace Wapiti School Division No. 76 does not make pension contributions for certificated staff.

The School Division participates in a multi-employer pension plan, the Local Authorities Pension Plan, and does not report on any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$396,350 (2008 – \$327,797) for the year ended August 31, 2009. At December 31, 2008, the Local Authorities Pension Plan reported an actuarial deficiency of \$4,413,971,000 (2007 deficiency of \$1,183,334,000).

**PEACE WAPITI SCHOOL DIVISION NO. 76
 NOTES TO THE AUDITED FINANCIAL STATEMENTS
 YEAR ENDED AUGUST 31, 2009**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Operating and capital reserves

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

Employee future benefits

The School Division accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2009, the recorded obligation is \$601,903 (2008 – \$502,516).

Financial instruments

These consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management’s opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Division has invested surplus funds in accordance with Section 60 of the School Act.

3. CASH AND TEMPORARY INVESTMENTS

	<u>2009</u>	<u>2008</u>
Cash	\$ 2,911,219	\$ 13,328,346
Temporary investments	<u>2,204,492</u>	<u>2,920,736</u>
	<u>\$ 5,115,711</u>	<u>\$ 16,249,082</u>

Cash in banks bears interest at a rate of prime minus 1.8%.

Temporary investments consist of fixed income and saving account investments, bearing interest at 4.85% maturing in 2010.

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009

4. ACCOUNTS RECEIVABLE

	<u>2009</u>	<u>2008</u>
Province of Alberta	\$ 4,353,000	\$ 1,212,760
Federal Government and/or First Nations	871,088	790,323
Other (net after allowance)	<u>317,399</u>	<u>976,967</u>
	<u>\$ 5,541,487</u>	<u>\$ 2,980,050</u>

5. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress - New Building	Buildings	Other Equipment	Vehicles	Total August 31 2009	Total August 31 2008
Estimated useful life			25-40 Years	5 Years	8-11 Years		
Historical cost							
September 1, 2008	\$ 1,908,250	\$ 29,382,049	\$ 67,960,427	\$ 3,423,361	\$ 11,431,447	\$114,105,534	\$ 88,793,868
Additions	-	9,119,292	-	207,375	735,595	10,062,262	26,082,516
Transfers in (out)	-	(114,150)	102,150	12,000	-	-	-
Less disposals including write-offs	-	-	846,955	40,873	922,425	1,810,253	770,849
August 31, 2009	1,908,250	38,387,191	67,215,622	3,601,863	11,244,617	122,357,543	114,105,535
Accumulated amortization							
September 1, 2008	-	-	42,556,195	2,114,985	5,822,405	50,493,585	48,563,462
Amortization expense	-	-	1,857,283	357,005	1,014,921	3,229,209	3,112,417
Effect of disposals	-	-	846,955	40,873	904,932	1,792,760	1,182,294
August 31, 2009	-	-	43,566,523	2,431,117	5,932,394	51,930,034	50,493,585
Net Book Value at August 31, 2009	\$ 1,908,250	\$ 38,387,191	\$ 23,649,099	\$ 1,170,746	\$ 5,312,223	\$ 70,427,509	\$ 63,611,950

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009

6. **BANK INDEBTEDNESS**

The School Division has negotiated a line of credit in the amount of \$4,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the School Division. There was no balance outstanding on the line of credit as at August 31, 2009.

7. **ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2009</u>	<u>2008</u>
Province of Alberta	\$ 380,585	\$ 390,894
Federal Government and/or First Nations	18,924	590,542
Other trade payables and accrued liabilities	<u>3,410,714</u>	<u>5,941,146</u>
	<u>\$ 3,810,223</u>	<u>\$ 6,922,582</u>

8. **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	\$ -	\$ -	\$ -	\$ -	\$ -
Children and Youth with Complex Needs	-	-	-	-	-
Francophone Student Health Services	-	-	-	-	-
Infrastructure Maintenance Renewal	1,049,121	930,479	1,358,866	-	620,734
Institutional Education Programs	-	-	-	-	-
Portable/Modular Unit Relocation	-	-	-	-	-
Regional Consortium	-	-	-	-	-
Regional Educational Consulting Services	-	-	-	-	-
Small Class Size Initiative	-	-	-	-	-
Student Health Initiative (School Authorities)	-	-	-	-	-
SuperNet Service	-	-	-	-	-
Other Alberta Education deferred revenue	744,771	2,031,967	2,131,478	-	645,260
School Building Study 06/07	6,985	175	-	-	7,160
Other Government of Alberta Restricted Funding					
Other Deferred Revenue:					
Individual groups	4,399	602,182	409,357	-	197,224
Total	\$ 1,805,276	\$ 3,564,803	\$ 3,899,701	\$ -	\$ 1,470,378

**PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009**

9. TRUST ASSETS AND LIABILITIES

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

	<u>2009</u>	<u>2008</u>
Scholarship trusts	\$ 70,203	\$ 29,632
Other	<u> -</u>	<u>56,299</u>
	<u>\$ 70,203</u>	<u>\$ 85,931</u>

10. LONG-TERM DEBT

(a) Debt Debt – Supported

The debt bears interest at rates varying between 8% and 12.0%. The debt is fully supported by Alberta Finance.

	<u>2009</u>	<u>2008</u>
Debt	\$ 4,775,270	\$ 5,937,211
Less current portion	<u>(1,068,310)</u>	<u>(1,161,941)</u>
	<u>\$ 3,706,960</u>	<u>\$ 4,775,270</u>

Debt payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-2010	\$ 1,068,310	\$ 483,367	\$ 1,551,677
2010-2011	1,018,392	374,303	1,392,695
2011-2012	880,618	271,230	1,151,848
2012-2013	569,999	182,714	752,713
2013 to maturity	<u>1,237,951</u>	<u>264,982</u>	<u>1,502,933</u>
Total	<u>\$ 4,775,270</u>	<u>\$ 1,576,596</u>	<u>\$ 6,351,866</u>

11. DEFERRED CAPITAL ALLOCATIONS

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

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009

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 School Division has a legal obligation to remove hazardous material located under the site of the central office building upon its disposal. A liability, however, has not been recognized because the fair value cannot be reasonably estimated.

14. COMMITMENTS

(a) Personnel contracts

The School Division has entered into personnel contracts with its executive management team. In the event that these contracts are cancelled or not renewed by the School Division, there could be a liability incurred as per the termination clauses in the executive contracts.

(b) Building contracts

The School Division is committed to further capital expenditures for various capital projects of approximately \$585,000 (2008 - \$4,829,474). It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

15. CONTINGENCIES

Contingent asset

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

Contingent liability

Under the terms of membership of ASBIE, the School 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.

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009

16. 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 not related parties of School Jurisdictions. These include government departments, health authorities, post-secondary institutions and other School Jurisdictions in Alberta.

During the year, the School Division had the following transactions and balances with related parties:

2008 – 2009	Balances		Transactions	
	Assets (at cost or net realizable value)	Liabilities (at fair value)	Revenues	Expenses
Government of Alberta:				
Education	\$ 3,756,565	\$ 65,761	\$ 57,716,841	\$ 236,145
Infrastructure and transport	-	-	-	-
Finance	314,824	314,824	-	527,533
Health and wellness	-	-	-	450
Human resources	-	-	79,604	-
Other departments	5,605	-	194,879	10,410
Other:				
Health authorities	1,743	1,865	118,853	22,036
Post-secondary institutions	-	-	26,067	31,224
Alberta School Jurisdictions	275,864	57,116	454,073	528,736
TOTAL 2008 – 2009	\$ 4,354,601	\$ 439,566	\$ 58,590,317	\$ 1,356,534
TOTAL 2007 – 2008	\$ 1,313,298	\$ 494,235	\$ 56,017,361	\$ 1,365,285

These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed upon by the related parties.

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

PEACE WAPITI SCHOOL DIVISION NO. 76
NOTES TO THE AUDITED FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2009

18. REMUNERATION AND MONETARY INCENTIVES

The Peace Wapiti School Division No. 76 has paid or accrued expenses for the year ended August 31, 2009 to or on behalf of the following positions in groups as follows:

Board Members:	FTE	Remuneration	Benefits	Negotiated Allowances	Performance Bonuses	ERIPs/ Other	Expenses
Chair - Sonia Ens	1.0	\$ 23,207	\$ 5,791	\$ -	\$ -	\$ -	\$ 8,818
Other members		-	-	-	-	-	-
Sharilyn Anderson	1.0	21,727	5,239	-	-	-	12,709
Wendy Kelm	1.0	21,028	5,584	-	-	-	7,348
Richard Lappenbush	1.0	15,760	5,219	-	-	-	8,279
Dana Mc Intosh	1.0	26,922	6,192	-	-	-	9,744
Trina Meyaard	1.0	16,083	4,690	-	-	-	4,205
Stacey Pelland	1.0	17,466	5,171	-	-	-	6,730
Sherri Peterson	1.0	14,934	4,938	-	-	-	3,982
Christine Schlief	1.0	18,081	5,250	-	-	-	4,572
Subtotal	9.0	175,208	48,074	-	-	-	66,387
Superintendent (1) Sheldon Rowe	1.0	148,422	16,570	-	-	-	10,602
Board Secretary (1) JoAnn Vanstone	1.0	63,523	14,506	-	-	-	9,580
Board Treasurer (1) Leslie Cage	1.0	110,802	19,837	-	-	-	6,097
Certificated Teachers	335.7	27,391,911	2,894,486	-	-	63,105	
Non-certificated - Other	360.9	11,182,356	2,304,676	-	-	-	
TOTALS		\$ 39,072,222	\$ 5,299,367	\$ -	\$ -	\$ 63,105	

Comments:

- * New Board Members
- ** Old Board Members

19. BUDGET AMOUNTS

The budget was prepared by the School Division and approved by the Board of Trustees on June 5, 2008. It is presented for information purposes only and has not been audited.

UNAUDITED SCHEDULES

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

PEACE WAPITI SCHOOL DIVISION NO. 76

Legal Name of School Jurisdiction

8611A - 108 ST GRANDE PRAIRIE AB T8V 4C5

Mailing Address

780-532-8133 / 780-532-4234

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

Mrs. Leslie Cage
Name

Signed Electronically
Signature

October 29, 2009

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 C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 177

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	\$2,127,682	\$39,165,421	\$7,141,710	\$6,362,817	\$2,624,533	\$298,698	\$57,720,861
(2) Other - Government of Alberta	\$0	\$165,629	\$41,215	\$57,254	\$5,336	\$1,029	\$270,463
(3) Federal Government and First Nations	\$14,998	\$1,172,894	\$112,885	\$0	\$54,199	\$0	\$1,354,976
(4) Other Alberta school authorities	\$0	\$87,802	\$0	\$60,306	\$5,751	\$300,442	\$454,301
(5) Out of province authorities	\$0	\$175,957	\$0	\$77,312	\$22,984	\$0	\$276,253
(6) Alberta Municipalities-special tax levies	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7) Instruction resource fees	\$26,489	\$585,952					\$612,441
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$310,150	\$35,789	\$32,485	\$29,448	\$147,892	\$555,764
(11) Investment income	\$0	\$169,649	\$70,880	\$1,517	\$9,992	\$0	\$252,038
(12) Gifts and donations	\$0	\$125,029	\$0	\$0	\$0	\$69,058	\$194,087
(13) Rental of facilities	\$0	\$11,573	\$1,166	\$187,624	\$23,091	\$0	\$223,454
(14) Net school generated funds	\$6,600	\$1,482,294	\$0		\$0	\$0	\$1,488,894
(15) Gains on disposal of capital assets	\$0	\$24,381	\$3,000	\$125,799	\$0	\$0	\$153,180
(16) Amortization of capital allocations	\$0	\$0	\$1,756,653	\$0		\$0	\$1,756,653
(17) Other revenue	(\$107,991)	(\$372,672)	\$196,016	\$357,200	(\$321,272)	\$434,393	\$185,674
(18) TOTAL REVENUES	\$2,067,778	\$43,104,059	\$9,359,314	\$7,262,314	\$2,454,062	\$1,251,512	\$65,499,039
EXPENSES							
(19) Certificated salaries	\$758,387	\$26,452,620			\$318,462	\$10,864	\$27,540,333
(20) Certificated benefits	\$69,056	\$2,808,922			\$32,872	\$178	\$2,911,028
(21) Non-certificated salaries and wages	\$525,360	\$5,542,210	\$1,045,495	\$3,213,537	\$1,091,485	\$113,802	\$11,531,889
(22) Non-certificated benefits	\$88,531	\$1,147,917	\$199,546	\$711,997	\$230,212	\$10,136	\$2,388,339
(23) SUB - TOTAL	\$1,441,334	\$35,951,669	\$1,245,041	\$3,925,534	\$1,673,031	\$134,980	\$44,371,589
(24) Services, contracts and supplies	\$259,763	\$6,008,123	\$5,700,654	\$2,010,297	\$676,998	\$1,018,471	\$15,674,306
(25) Net school generated funds	\$6,600	\$1,482,294					\$1,488,894
(26) Amortization of capital assets	\$0	\$220,027	\$1,821,693	\$988,997	\$100,431	\$98,061	\$3,229,209
(27) Interest and charges	\$0	\$0	\$527,533	\$0	\$3,602	\$0	\$531,135
(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	\$1,707,697	\$43,662,113	\$9,294,921	\$6,924,828	\$2,454,062	\$1,251,512	\$65,295,133
(31) OVER EXPENSES BEFORE EXTRAORDINARY ITEM	\$360,081	(\$558,054)	\$64,393	\$337,486	\$0	(\$0)	\$203,906

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

Unexpended SGF - Opening Balance August 31, 2008 (Note 1)				\$1,021,111
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF	
Fundraising activities	\$1,352,308	\$693,688	\$658,620	
Student fees (Non-Instructional) (Note 1)	\$558,244	\$0	\$558,244	
Donations and grants to schools	\$257,184	\$0	\$257,184	
Other (describe): bank interest, library, picture rebate	\$61,341	\$0	\$61,341	
Net Additions to SGF	\$2,229,078	\$693,688		\$1,535,390
Net SGF Available				\$2,556,501
Uses of Net School Generated Funds:				
Extra-curricular activities			\$1,402,969	
Field Trips			\$69,388	
Other (describe): Library supplies, locks, SU telephone, bank charges			\$16,536	
Total Uses of Net SGF (Note 2)				\$1,488,894
Unexpended SGF - Closing Balance August 31, 2009 (Note 3)				\$1,067,607

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	\$225,065	\$603,642	\$0	\$59,598	\$157,190		\$1,045,495		\$1,045,495
Uncertificated benefits	\$49,408	\$117,476	\$0	\$1,307	\$31,355		\$199,546		\$199,546
Sub-total Remuneration	\$274,473	\$721,118	\$0	\$60,905	\$188,545		\$1,245,041		\$1,245,041
Supplies and services	\$1,400,036	\$1,391,672	\$0	\$1,545,234	\$21,059		\$4,358,001		\$4,358,001
Electricity			\$587,979				\$587,979		\$587,979
Natural Gas/Heating Fuel			\$485,559				\$485,559		\$485,559
Sewer and Water			\$102,934				\$102,934		\$102,934
Telecommunications			\$12,579				\$12,579		\$12,579
Insurance					\$153,602		\$153,602		\$153,602
Amortization of capital assets									
Supported								\$1,815,268	\$1,815,268
Unsupported						\$6,425	\$6,425		\$6,425
Total Amortization						\$6,425	\$6,425	\$1,815,268	\$1,821,693
Interest on capital debt									
Supported									
Unsupported								\$527,533	\$527,533
Other interest charges				\$0			\$0		\$0
Losses on disposal of capital assets							\$0		\$0
TOTAL EXPENSES	\$1,674,509	\$2,112,790	\$1,189,051	\$1,606,139	\$363,206	\$6,425	\$6,952,120	\$2,342,801	\$9,294,921
SQUARE METRES									
School Buildings									78,097.0
Non School Buildings									8,808.6

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.