

**AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Fort McMurray Public School District No. 2833

Legal Name of School Jurisdiction

231 Hardin Street, Fort McMurray, AB T9H 2G2

Mailing Address

Phone 780-799-7900 Fax 780-743-2655

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Fort McMurray Public School District No. 2833 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

Jeff Thompson

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Dennis Parsons

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Allan Kallal

Name

"ORIGINAL SIGNED"

Signature

13-Dec-10

Board-approved Release Date

TABLE OF CONTENTS

	Page
AUDITORS' REPORT INSERT	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF REVENUES AND EXPENSES	5
STATEMENT OF CASH FLOWS	6
STATEMENT OF CHANGES IN NET ASSETS	7
STATEMENT OF CAPITAL ALLOCATIONS	8
NOTES TO THE FINANCIAL STATEMENTS INSERT	9

AUDITORS' REPORT

**TO THE BOARD OF TRUSTEES
FORT MCMURRAY SCHOOL DISTRICT NO. 2833**

We have audited the statement of financial position of the Fort McMurray Public School District No. 2833 as at August 31, 2010 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 district'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. These 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 district as at August 31, 2010 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Morris Reay LLP

**Fort McMurray, Alberta
December 13, 2010**

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

	2010	2009 (Note) Restated
ASSETS		
Current assets		
Cash and temporary investments (Note 3)	\$27,025,521	\$41,072,709
Accounts receivable (net after allowances) (Note 4)	\$3,134,753	\$2,808,439
Prepaid expenses	\$502,914	\$712,467
Other current assets	\$0	\$0
Total current assets	\$30,663,188	\$44,593,615
School generated assets		
Trust assets (Note 6)	\$833,832	\$977,689
Long term accounts receivable (Note 5)	\$350,000	\$350,000
Long term investments	\$0	\$0
Capital assets (Note 8)		
Land	\$4,092,703	\$4,092,703
Construction in Progress	\$22,048,431	\$7,164,554
Buildings	\$89,795,990	
Less: accumulated amortization	(\$42,260,722)	\$47,834,120
Equipment	\$7,643,040	
Less: accumulated amortization	(\$7,033,183)	\$646,201
Vehicles	\$469,788	
Less: accumulated amortization	(\$225,236)	\$315,215
Total capital assets	\$74,530,811	\$60,052,793
TOTAL ASSETS	\$107,714,045	\$107,119,052
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities (Note 7)	\$6,631,054	\$4,826,640
Deferred revenue (Note 9)	\$642,651	\$1,405,220
Deferred capital allocations (Note 11)	\$15,653,426	\$31,045,958
Current portion of long term debt	\$0	\$0
Total current liabilities	\$22,927,131	\$37,277,818
School generated liabilities		
Trust liabilities (Note 6)	\$833,832	\$977,689
Employee future benefit liabilities	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion	\$0	\$0
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 13)	\$66,047,300	\$51,263,918
Total long term liabilities	\$68,217,346	\$53,386,562
TOTAL LIABILITIES	\$91,144,477	\$90,664,380
NET ASSETS		
Unrestricted net assets	\$3,361	\$7,849
Operating Reserves	\$6,126,738	\$5,701,988
Accumulated Operating Surplus (Deficit)	\$6,130,099	\$5,709,837
Investment in capital assets	\$8,483,501	\$8,788,867
Capital Reserves	\$1,955,968	\$1,955,968
Total Capital Funds	\$10,439,469	\$10,744,835
Total net assets	\$16,569,568	\$16,454,672
TOTAL LIABILITIES AND NET ASSETS	\$107,714,045	\$107,119,052

Note: Please input "(Restated)" in 2009 column heading where comparatives are not taken from the finalized 2008-2009 Audited Financial Statements filed with Alberta Education.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31, 2010
(in dollars)

	Actual 2010	Budget 2010 (Note 15)	Actual 2009 (Note)
REVENUES			
Government of Alberta	\$59,081,139	\$58,059,242	\$57,832,013
Federal Government and First Nations	\$363,066	\$270,000	\$427,725
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	\$357,355	\$325,215	\$320,736
Transportation fees	\$316,093	\$295,000	\$307,375
Other sales and services	\$84,024	\$203,726	\$22,600
Investment income	\$124,451	\$0	\$59,280
Gifts and donations	\$93,590	\$88,000	\$152,853
Rental of facilities	\$572,311	\$300,000	\$510,977
Gross school generated funds	\$1,419,813	\$925,000	\$1,331,146
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$2,596,402	\$2,539,247	\$2,641,624
Other revenue	\$219,461	\$0	\$357,440
Total Revenues	\$65,227,705	\$63,005,430	\$63,963,769
EXPENSES			
Certificated salaries (Note 20)	\$27,089,144	\$27,608,725	\$25,617,254
Certificated benefits (Note 20)	\$3,959,993	\$3,770,651	\$3,831,119
Non-certificated salaries and wages (Note 20)	\$12,562,044	\$13,550,580	\$12,815,306
Non-certificated benefits (Note 20)	\$2,915,810	\$2,952,982	\$2,790,238
Services, contracts and supplies	\$14,094,308	\$14,730,896	\$13,011,110
Gross school generated funds	\$1,419,813	\$925,000	\$1,331,146
Capital and debt services			
Amortization of capital assets			
Supported	\$2,596,402	\$2,539,247	\$2,641,624
Unsupported	\$462,965	\$406,194	\$406,190
Total Amortization of capital assets	\$3,059,367	\$2,945,441	\$3,047,814
Interest on capital debt			
Supported	\$0	\$1,173	\$34,906
Unsupported	\$0	\$89,600	\$0
Total Interest on capital debt	\$0	\$90,773	\$34,906
Other interest and charges	\$12,330	\$11,100	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Other expense	\$0	\$0	\$0
Total Expenses	\$65,112,809	\$66,586,148	\$62,478,893
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM			
	\$114,896	(\$3,580,718)	\$1,484,876
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$114,896	(\$3,580,718)	\$1,484,876

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statements filed with Alberta Education. Budget 2010 comparatives presented are final budget amounts formally approved by the Board.

STATEMENT OF CASH FLOWS
for the Year Ended August 31, 2010

(in dollars)

	2010	2009 (Note) Restated
CASH FLOWS FROM:		
A. OPERATIONS		
Excess (deficiency) of revenues over expenses	\$114,896	\$1,484,876
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,596,402)	(\$2,641,624)
Total amortization expense	\$3,059,367	\$3,047,814
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$0	\$0
Changes in:		
Accounts receivable	(\$326,314)	(\$1,031,496)
Prepays and other current assets	\$209,553	(\$7,207)
Long term accounts receivable	\$0	(\$350,000)
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$1,804,414	\$97,698
Deferred revenue	(\$762,569)	(\$109,795)
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Operations	\$1,502,945	\$490,266
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$17,349,758)	(\$11,744,464)
Equipment	(\$187,627)	(\$249,033)
Vehicles	\$0	(\$286,826)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total cash flows from Investing activities	(\$17,537,385)	(\$12,280,323)
C. FINANCING ACTIVITIES		
Capital allocations	\$1,987,252	\$35,198,612
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	(\$87,219)
Add back: supported portion	\$0	\$11,310
Other (describe)	\$0	\$0
Total cash flows from financing activities	\$1,987,252	\$35,122,703
Net cash flows from during the year	(\$14,047,188)	\$23,332,646
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$41,072,709	\$17,740,063
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$27,025,521	\$41,072,709

Note: Please input "(Restated)" where Actual 2009 comparatives are not as presented in the finalized 2008-2009 Audited Financial Statement filed with Alberta Education.

**STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2010**

School Jurisdiction Code: 3260

(in dollars)

	(1) TOTAL NET ASSETS Cols. 2+3+4+5	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL OPERATING RESERVES Cols. 6+8+10+12+14	(5) TOTAL CAPITAL RESERVES Cols. 7+9+11+13+15	INTERNALLY RESTRICTED NET ASSETS						(14) Operating Reserves	(15) Capital Reserves	
						(6) School & Instruction Related	(7) Operating Reserves	(8) Capital Reserves	(9) Operations & Maintenance Operating Reserves	(10) Capital Reserves	(11) Board & System Admin. Operating Reserves			(12) Capital Reserves
Balance at August 31, 2009	\$16,454,672	\$8,788,867	\$7,849	\$5,701,988	\$1,955,968	\$3,912,207	\$447,060	\$954,682	\$1,342,721	\$1,001,286	\$0	\$0	\$0	\$0
Prior period adjustments (describe)														
Amort. Capital assets	\$0	(\$210,451)	\$210,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amort. Capital allocations	\$0	\$210,451	(\$210,451)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2009	\$16,454,672	\$8,788,867	\$7,849	\$5,701,988	\$1,955,968	\$3,912,207	\$447,060	\$954,682	\$1,342,721	\$1,001,286	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues over expenses	\$114,896		\$114,896											
Board funded capital additions		\$157,599	\$0	(\$157,599)	\$0	(\$98,748)	(\$37,201)	\$0	(\$21,650)	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0
Direct credits to net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets		(\$3,059,367)	\$3,059,367											
Amortization of capital allocations		\$2,596,402	(\$2,596,402)											
Debt principal repayments (unsupported)		\$0	\$0											
Net transfers to operating reserves			(\$582,349)	\$582,349		\$213,000	\$117,238		\$252,111		\$0	\$0	\$0	\$0
Net transfers from operating reserves			\$0	\$0		\$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
Balance at August 31, 2010	\$16,569,568	\$8,483,501	\$3,361	\$6,126,738	\$1,955,968	\$4,026,459	\$527,097	\$954,682	\$1,573,182	\$1,001,286	\$0	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(EXTERNALLY RESTRICTED CAPITAL CONTRIBUTIONS ONLY)
for the Year Ended August 31, 2010
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2009	\$31,045,958	\$46,275,219
Prior period adjustments	\$0	\$4,988,699
Adjusted balance, August 31, 2009	\$31,045,958	\$51,263,918
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$1,437,292	
Other Government of Alberta	\$400,000	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$149,960	
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		\$0
Expended capital allocations - current year	(\$17,379,784)	\$17,379,784
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$0	\$0
Capital allocations amortized to revenue		\$2,596,402
Balance at August 31, 2010	\$15,653,426	\$66,047,300

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

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

1. Authority and Purpose

The Fort McMurray Public School District No. 2833 is governed by statutes of Alberta under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The district is exempt from payment of income tax under Section 149 of the Income Tax Act.

The district receives block allocations for instruction and support under Regulation 77/2003. The regulation limits funding and expenses for administration. It permits the district, within specified limits, to reallocate funding between instruction and support blocks.

2. Summary of significant accounting policies

The financial statements have been prepared by district management in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

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.

Capital allocations from the province or other funding agencies are recorded as deferred capital allocations until spent. Once spent they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the capital allocation. Capital allocations relate to capital grants received or to debenture support received for debt originally incurred for the purpose of acquiring capital assets.

b) Capital assets

The district recognizes a capital asset as any capital asset that has an original cost greater than \$5,000 per item except that where a new facility is constructed the initial furnishings for the facility are capitalized en bloc.

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

	<u>Years</u>
Buildings	10 - 40
Equipment	5
Vehicles	5

No amortization is recorded in the year the asset is acquired and on assets recoded as construction in progress, as the assets are not yet available for use.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

2. Summary of significant accounting policies (continued)

Where a disposition of supported capital assets occurs, the net gain from the disposition is recorded in the deferred capital allocations account. This policy provides for a matching of revenues and expenditure streams related to future capital asset purchases.

c) School generated funds

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the district because the fiduciary responsibility for these funds rests with the Board of Trustees of the district. 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) Contributed services

Volunteers assist schools operated by the district in carrying out certain activities. Because of the difficulty of determining fair value and because such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

f) Pensions

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

The current service 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, Fort McMurray Public School District No. 2833 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$669,920 for the year ended August 31, 2010. At December 31, 2009, the Local Authorities Pension Plan reported a deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000).

g) Supplementary Integrated Pension Plan

The ASBA Supplementary Integrated Pension Plan, a multi-employer registered defined benefit pension plan sponsored by the ASBA which is subject to the provisions of the Alberta Employment Pension Plans Act, was effective January 1, 2004. It provides supplementary pension benefits to a prescribed class of employees. The plan supplements the Local Authorities Pension Plan ("LAPP") or the Alberta Teachers' Retirement Fund ("ATRF").

The current service contributions in 2010 were \$56,600 (2009 - \$39,600) and past service costs were \$0. The accrued benefit liability at August 31, 2010 is \$81,900 (2009 - \$136,200).

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

2. Summary of significant accounting policies (continued)

h) Non-registered Supplementary Integrated Pension Plan

The non-registered SiPP, a retirement program sponsored by Fort McMurray Public School District No. 2833, commenced in 2005 and provides supplementary pension benefits to a prescribed class of employees. The non-registered SiPP supplements the LAPP, ATRF, and registered SiPP pension plans.

The cost of the non-registered SiPP post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of salary and benefit escalation and retirement ages of employees.

i) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies which will be consumed subsequent to year end, and are accordingly recorded as prepaid expenses. Prepaid expenses also include the unexpired insurance premiums at year end and fair value of future rent payments.

j) Financial Instruments

Held for trading

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 *Financial Instruments – Recognition and Measurement*, even if that instrument would not otherwise satisfy the definition of held for trading. The District has designated cash on initial recognition as held for trading. This instrument is initially recognized at its fair value determined by quotations in an active market. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date and transaction costs are immediately recognized in excess of revenues over expenses.

Held for trading financial instruments are subsequently measured at their fair value. Net gains and losses arising from changes in fair value include interest income and are recognized immediately in excess of revenues over expenses.

Loans and receivables

The District has classified the following financial assets as loans and receivables: accounts receivable and long-term accounts receivable. These assets are initially recognized at their fair value, determined by reference to recent arm's length market transactions for the same instrument. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in excess of revenues over expenses. Total interest income, calculated using the effective interest rate method, is recognized in excess of revenues over expenses.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset's expected life, or other appropriate period, to its net carrying

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

2. Summary of significant accounting policies (continued)

j) Financial instruments (continued)

Loans and receivables (continued)

value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

Other financial liabilities

The District has classified the following financial liabilities as other financial liabilities: accounts payable and accruals and long-term debt. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date and transaction costs are immediately recognized in income. Total interest expense, calculated using the effective interest rate method, is recognized in excess of revenues over expenses.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are exactly discounted over the liability's expected life, or other appropriate period, to its net carry value. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, and plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in excess of revenues over expenses upon derecognition or impairment.

The district's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Fair Value

The carrying amount of cash and temporary investments, accounts receivable, accounts payable, and accrued liabilities approximates their fair value due to the short-term maturities of these items.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the district manages exposure through its normal operating and financing activities. The district is not exposed to interest rate risk primarily because debt is support by government agencies.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

2. Summary of significant accounting policies (continued)

j) Financial instruments (continued)

Risk management policy

The District, as part of operations, has established avoidance of undue concentrations of risk as risk management objectives. In seeking to meet these objectives, the District follows a risk management policy approved by its Board of Directors.

k) Operating and capital reserves

Reserves are established at the discretion of the district trustees or by external restrictions to set aside funds for operating and for capital expenditures. Such reserves are appropriations of unrestricted net assets.

l) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Prepaid expenses include amounts based on estimates of the fair value of future rent payments. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

m) Capital management

The District defines its capital as the amounts included in deferred contributions, unrestricted net assets, operating reserves, investment in capital assets and capital reserves. The District's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

The District sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets, as well as with consideration of externally imposed capital requirements. In order to maintain or adjust the capital structure, the District adjusts its spending policies and cash management procedures.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

3. Cash and temporary investments

	2010			2009		
	Effective (Market) Yield	Cost	Fair Value	Effective (Market) Yield	Cost	Fair Value
Cash and cash equivalents	Prime less 1.9%	27,025,521	27,025,521	Prime less 1.9%	41,072,709	41,072,709
Total cash and temporary investments		<u>27,025,521</u>	<u>27,025,521</u>		<u>41,072,709</u>	<u>41,072,709</u>

4. Accounts receivable

	2010	2009
Alberta Education	2,510,401	2,350,207
Federal government	573,343	347,353
Other	51,009	110,879
	<u>3,134,753</u>	<u>2,808,439</u>

5. Long term accounts receivable

	2010	2009
Accommodation loan	350,000	350,000

The board has provided for a long term accommodation loan for a member of senior management. The loan is non-interest bearing and is due upon sale of accommodations or termination of employment. The loan is secured by a mortgage.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

6. Trust assets and liabilities

	2010	2009
Scholarships	73,177	73,855
Music	4,319	5,199
Deferred salary leave plan	5,581	121,347
Student Health Initiative	750,755	777,288
	833,832	977,689

7. Accounts payable and accrued liabilities

	2010	2009
Alberta Education	410,736	396,135
Federal government	476,142	425,580
Other trade payables and accrued liabilities	5,744,176	4,004,925
	6,631,054	4,826,640

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833
Notes to Financial Statements

August 31, 2010

8. Tangible capital assets

	Land	Construction In Progress - New Building	Buildings 10-40 Years	Other Equipments 5 Years	Vehicles 5 Years	Total Aug. 31, 2010	Total Aug. 31, 2009
Estimated Useful life							
Historical cost							
September 1, 2009	4,092,703	7,164,554	87,330,110	7,455,412	469,788	106,512,567	97,776,109
Additions	-	14,883,877	2,465,880	187,628	-	17,537,385	8,772,523
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	-	-	(36,065)
August 31, 2010	4,092,703	22,048,431	89,795,990	7,643,040	469,788	124,049,952	106,512,567
Accumulated amortization							
September 1, 2009	-	-	39,495,990	6,809,211	154,573	46,459,774	43,448,025
Amortization expense	-	-	2,764,732	223,972	70,663	3,059,367	3,047,814
Transfers in (out)	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	-	-	(36,065)
August 31, 2010	-	-	42,260,722	7,033,183	225,236	49,519,141	46,459,774
Net Book Value at August 31, 2010	4,092,703	22,048,431	47,535,268	609,857	244,552	74,530,811	60,052,793

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

9. Deferred revenue

SOURCE AND GRANT OR FUND TYPE	DEFERRED REVENUE as at Aug. 31, 2009	ADD:	DEDUCT:	ADD/(DEDUCT)	DEFERRED REVENUE as at Aug. 31, 2010
		2009/2010 Restricted Funds Received/ Receivable	2009/2010 Restricted Funds Expended (Paid/Payable)	2009/2010 Adjustments or Returned Funds	
Alberta Education Restricted Operational Funding:					
Alberta Initiative for School Improvement	\$27,575	\$647,862	\$647,924	\$0	\$27,513
Infrastructure Maintenance Renewal	\$550,113	\$896,784	\$1,368,429	\$0	\$78,468
Small Class Size Initiative	\$0	\$2,092,977	\$2,092,977	\$0	\$0
Other Alberta Education deferred revenue	\$498,547	\$0	\$14,677	\$0	\$483,870
Other Government of Alberta Restricted Funding:					
Thickwood Daycare –CFS funded	\$300,000	\$100,000	\$0	\$400,000	\$0
Other Deferred Revenue:					
Industry Funding	\$0	\$52,800	\$0	\$0	\$52,800
Skills Canada grant	\$28,985	\$0	\$28,985	\$0	\$0
Total	\$1,405,220	\$3,790,423	\$4,152,992	\$400,000	\$642,651

10. Bank indebtedness

At August 31, 2010, the district had an approved line of credit totaling \$2,000,000. Interest is charged at prime rate. This line of credit is secured by a yearly borrowing resolution approved by the Board of Trustees. There was no balance outstanding on the line of credit at August 31, 2010.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

11. Deferred capital allocations

Deferred capital allocations show the cumulative amount of capital funding received for projects which the district had not completed as of the year end. These projects and deferred capital allocations are summarized as follows:

	2010	2009
Unspent capital modernization funding	14,672,839	30,215,331
Unspent proceeds from disposal of supported assets	200,000	200,000
Interest earned on funding balances	780,587	630,627
	15,653,426	31,045,958

12. 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. The Fort McMurray Public School District No. 2833 had related party transactions for the year ended August 31, 2010 with the Keyano College 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 (@ cost or net realizable value)	Liabilities (@ fair value)	Revenues	Expenses
2009-2010				
Government of Alberta:				
Education	2,510,401	410,736	58,772,875	
Finance			0	
Other Gov't of Alberta Departments			308,263	
Other:				
Post-secondary institutions				225,371
Other Alberta school Jurisdictions				117,179
TOTAL 2009-2010	2,510,401	410,736	59,081,139	342,550
TOTAL 2008-2009	2,350,207	396,135	57,817,336	377,679

Expenses paid to Keyano College for utilities amount to \$218,159 (2009 - \$245,373) and for facility rentals amount to \$7,212 (2009 - \$10,641)

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

13. Unamortized capital allocations

Unamortized capital allocations (UCA) represent the district's net investment in supported capital assets. Capital allocations are increased by the principal portion of debenture debt repayments and by expenditures made from the deferred capital allocations account. Capital allocations are amortized over the same period of time as the related assets.

Changes in unamortized capital allocations may be summarized as follows:

	2010	2009
Balance, beginning of year	51,253,918	45,697,092
Debenture support repayment	0	11,310
Transfer from deferred capital	17,379,784	8,187,140
Less amortization of capital allocations	(2,596,402)	(2,641,624)
Balance, end of year	66,037,300	51,253,918

14. Supplementary cash flow information

Interest paid and received

	2010	2009
Interest paid	12,330	34,906
Interest received	279,002	284,037

15. Budget amounts

The budget was prepared by district management with Board of Trustees' approval given on December 1, 2009. It is presented for information purposes only and has not been audited.

16. Contingent assets

The district is a member of The Urban Schools Insurance Consortium (USIC) which facilitates the placement of property and liability insurance coverage for thirteen jurisdictions throughout the province of Alberta. Premium rebates are received from favorable claims experience and accumulated by the consortium to self-insure a portion of the members' risk. The district's share of the accumulated consortium funds as at August 31, 2010 was \$213,027 (2009 - \$262,846). This contingent asset is not recorded in the accounts of the district. Amounts paid to USIC are recorded as insurance expense in the year paid.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

17. Commitments

Operating leases:

The following operating lease payments are required under the terms of leases expiring through 2014:

2011	167,225
2012	144,796
2013	144,796
2014	72,398

Building Projects:

The district is committed to further capital expenditures for the construction of Ecole McTavish of approximately \$29,262,000. Subsequent to year end additional expenditures for construction of various portables of approximately \$1,458,000 have been committed. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Education.

18. Economic dependence on related third party

The district's primary source of revenue is from Alberta Education. The district's ability to continue viable operations is dependent on this funding.

19. Contingent liabilities

The district, in the conduct of its normal activities, has been named a defendant in a legal proceeding while the ultimate outcome of this proceeding cannot be predicted at this time. It is the opinion of management that the resolution of the proceeding will not have a material effect on the financial position of the district, however, should any additional loss result from its resolution such amount would be expensed as the related amounts become known.

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

20. Remuneration and monetary incentives

The Fort McMurray Public School District No. 2833 had paid or accrued expenses for the year ended August 31, 2010 to or on behalf of the following positions and persons in groups as follows:

	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Expenses
Board Members:							
Jeff Thompson, Chair	1.0	\$14,451	\$542	\$6,992			\$21,553
Glenn Doonanco	1.0	\$14,054	\$1,617	\$6,800			\$5,513
Elizabeth Eenkooren	1.0	\$13,657	\$886	\$6,608			\$2,843
Angela Adams	1.0	\$13,657	\$503	\$6,608			\$2,085
Glenn Cooper	1.0	\$13,657	\$503	\$6,608			\$7,624
		\$0	\$0	\$0			\$0
Subtotal	5.0	\$69,476	\$4,051	\$33,616			\$39,618
Superintendent:	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Dennis Parsons	1.0	\$201,312	\$32,439	\$7,800	\$7,500	\$0	\$31,659
Secretary/Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Allan Kallal	1.0	\$180,925	\$45,997	\$6,000	\$0	\$0	\$11,972
Board Secretary (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (1)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer (2)	0.0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Teachers	290.9	\$26,887,832	\$3,927,554	\$0	\$0	\$0	
Non-certificated - Other	231.1	\$12,311,643	\$2,865,762	\$0	\$0	\$0	
TOTALS		\$39,651,188	\$6,875,803	\$47,416	\$0	\$0	

21. Prior period adjustment

During 2010, the Fort McMurray Public School District No. 2833 discovered that modular classrooms paid for directly by the Alberta Education were not included in the financial statements as required. This error has no effect on the surplus/deficit of the District.

On the Statement of Final Position, the 2009 comparative numbers were changed as follows:

Buildings less accumulated amortization:

Balance as reported August 31, 2009	\$42,845,421
Modulars purchased by Alberta Education	5,199,150
Accumulated amortization on the modulars	(210,451)
Balance as restated	\$47,834,120

FORT MCMURRAY PUBLIC SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2010

21. Prior period adjustment (continued)

Unamortized capital allocations:

Balance as reported August 31, 2009	\$46,275,219
Funding for modulars	5,199,150
Amortization of capital allocations	(210,451)
Balance as restated	51,263,918

On the Statement of Revenues and Expenses, the 2009 comparative numbers were changed as follows:

Amortization of capital allocations:

Balance as reported August 31, 2009	\$2,431,173
Funding recognized for modulars	210,451
Balance as restated	2,641,624

Amortization of capital assets (supported):

Balance as reported August 31, 2009	\$2,431,173
Amortization of modulars	210,451
Balance as restated	2,641,624

UNAUDITED SCHEDULES
TO THE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2010
[School Act, Section 276]

Fort McMurray Public School District No. 2833

Legal Name of School Jurisdiction

231 Hardin Street, Fort McMurray, AB T9H 2G2

Mailing Address

Phone 780-799-7900 Fax 780-743-2655

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

Allan Kallal
Name

"ORIGINAL SIGNED"
Signature

13-Dec-10

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

TABLE OF CONTENTS

		Page
SCHEDULE A	Allocation of Revenues and Expenses to Programs	3
SCHEDULE B	School Generated Funds (SGF)	4
SCHEDULE C	Operations and Maintenance Program Expenses	5

SCHEDULE A

School Jurisdiction Code: 3260

ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2009-2010

REVENUES	ECS Instruction	Grades 1-12 Instruction	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration	External Services	TOTAL
(1) Alberta Education	\$4,407,124	\$43,772,639	\$6,465,183	\$1,123,743	\$3,065,527	\$0	\$58,834,216
(2) Other - Government of Alberta	\$0	\$246,923	\$0	\$0	\$0	\$0	\$246,923
(3) Federal Government and First Nations	\$20,695	\$324,218	\$0	\$0	\$18,153	\$0	\$363,066
(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	\$40,738	\$316,616					\$357,354
(8) Transportation fees-ECS				\$316,093			\$316,093
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(11) Investment income	\$0	\$0	\$0	\$124,451	\$0	\$0	\$124,451
(12) Gifts and donations	\$0	\$93,590	\$0	\$0	\$0	\$0	\$93,590
(13) Rental of facilities	\$0	\$194,634	\$377,677	\$0	\$0	\$0	\$572,311
(14) Gross school generated funds	\$0	\$1,419,813	\$0	\$0	\$0	\$0	\$1,419,813
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$2,596,402	\$0	\$0	\$0	\$2,596,402
(17) Other revenue	\$0	\$148,104	\$155,382	\$0	\$0	\$0	\$303,486
(18) TOTAL REVENUES	\$4,488,557	\$46,516,537	\$9,594,644	\$1,564,287	\$3,063,680	\$0	\$65,227,705
EXPENSES							
(19) Certificated salaries	\$1,147,108	\$25,336,105			\$605,931	\$0	\$27,089,144
(20) Certificated benefits	\$183,925	\$3,730,161			\$45,907	\$0	\$3,959,993
(21) Non-certificated salaries and wages	\$1,703,622	\$7,561,252	\$2,195,143	\$41,153	\$1,060,874	\$0	\$12,562,044
(22) Non-certificated benefits	\$540,587	\$1,516,920	\$562,650	\$5,584	\$290,069	\$0	\$2,915,810
(23) SUB - TOTAL	\$3,575,242	\$38,144,438	\$2,757,793	\$46,737	\$2,002,781	\$0	\$46,526,991
(24) Services, contracts and supplies	\$845,618	\$6,343,457	\$4,123,211	\$1,965,563	\$816,458	\$0	\$14,094,307
(25) Gross school generated funds	\$0	\$1,419,813					\$1,419,813
(26) Amortization of capital assets	\$0	\$133,299	\$2,864,149	\$0	\$61,920	\$0	\$3,059,368
(27) Interest and charges	\$0	\$0	\$0	\$0	\$12,330	\$0	\$12,330
(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	\$4,420,860	\$46,041,007	\$9,745,153	\$2,012,300	\$2,893,489	\$0	\$65,112,809
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$47,697	\$475,530	(\$150,509)	(\$448,013)	\$190,191	\$0	\$114,896

**SCHEDULE B
SCHOOL GENERATED FUNDS (SGF) - 2009-2010**

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$1,144,955
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$1,575,283	\$206,848	\$1,368,435
Student fees (Non-Instructional) (Note 1)	\$0	\$0	\$0
Donations and grants to schools	\$35,789	\$0	\$35,789
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$1,611,072	\$206,848	\$1,404,224
Net SGF Available			\$2,549,179
Uses of Net School Generated Funds:			
Extra-curricular activities			\$930,446
Field Trips			\$282,519
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$1,212,965
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$1,336,214

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.)

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 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 - 2009-2010**

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	\$1,493,837	\$413,445	\$0	\$0	\$287,860		\$2,195,142		\$2,195,142
Uncertificated benefits	\$428,927	\$83,814	\$0	\$0	\$49,909		\$562,650		\$562,650
Sub-total Remuneration	\$1,922,764	\$497,259	\$0	\$0	\$337,769		\$2,757,792		\$2,757,792
Supplies and services	\$177,369	\$1,080,570	\$0	\$1,368,429	\$0		\$2,626,368		\$2,626,368
Electricity			\$668,901				\$668,901		\$668,901
Natural Gas/Heating Fuel			\$537,457				\$537,457		\$537,457
Sewer and Water			\$113,769				\$113,769		\$113,769
Telecommunications			\$14,956				\$14,956		\$14,956
Insurance					\$161,761		\$161,761		\$161,761
Amortization of capital assets									
Supported								\$2,596,402	\$2,596,402
Unsupported						\$267,747	\$267,747	\$2,596,402	\$2,864,149
Total Amortization						\$267,747	\$267,747		\$2,864,149
Interest on capital debt									
Supported								\$0	\$0
Unsupported									\$0
Other interest charges									\$0
Losses on disposal of capital assets									\$0
TOTAL EXPENSES	\$2,100,133	\$1,577,829	\$1,335,083	\$1,368,429	\$499,530	\$267,747	\$7,148,751	\$2,596,402	\$9,745,153
SQUARE METRES									
School Buildings									61,301.0
Non School Buildings									3,613.0

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.