

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

Fort Vermilion School Division No. 52

Legal Name of School Jurisdiction

P.O. Bag # 1, Fort Vermilion, Alberta T0H 1N0

Mailing Address

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SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Fort Vermilion School Division No. 52 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

Mr. Dale Lederer
Name

"ORIGINAL SIGNED"
Signature

SUPERINTENDENT

Mr. Roger Clarke
Name

"ORIGINAL SIGNED"
Signature

SECRETARY TREASURER OR TREASURER

Mr. Jeff Perry
Name

"ORIGINAL SIGNED"
Signature

30-Nov-10

Board-approved Release Date

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MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To the Board of Trustees of

FORT VERMILION SCHOOL DIVISION NO. 52

We have audited the statement of financial position of the Fort Vermilion School Division No. 52 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 school jurisdiction'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 the audit to obtain reasonable assurance as to 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 jurisdiction as at August 31, 2010 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.

October 29, 2010

Leduc, Alberta

Meyers Norris Penny LLP

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION
as at August 31, 2010

(in dollars)

		2010	2009 (Note)
ASSETS			
Current assets			
Cash and temporary investments	(Note 3)	\$7,056,208	\$9,476,032
Accounts receivable (net after allowances)	(Note 4)	\$1,797,559	\$1,132,657
Prepaid expenses		\$75,827	\$100,730
Other current assets		\$88,524	\$102,766
Total current assets		\$9,018,118	\$10,812,185
School generated assets		\$286,455	\$260,415
Trust assets	(Note 8)	\$471,144	\$681,239
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$712,077	\$712,077
Construction in Progress		\$1,359,632	\$368,568
Buildings	\$80,955,300		
Less: accumulated amortization	(\$34,694,334)	\$46,260,966	\$47,827,459
Equipment	\$6,669,300		
Less: accumulated amortization	(\$5,546,046)	\$1,123,254	\$1,115,038
Vehicles	\$7,075,491		
Less: accumulated amortization	(\$3,543,104)	\$3,532,387	\$2,775,522
Total capital assets	(Note 5)	\$52,988,316	\$52,798,664
TOTAL ASSETS		\$62,764,033	\$64,552,503
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities	(Note 6)	\$2,612,092	\$2,607,355
Deferred revenue	(Note 7)	\$643,758	\$637,040
Deferred capital allocations	(Note 10)	\$1,779,602	\$3,141,860
Current portion of long term debt		\$213,329	\$425,341
Total current liabilities		\$5,248,781	\$6,811,596
School generated liabilities		\$286,455	\$260,415
Trust liabilities	(Note 8)	\$471,144	\$681,239
Employee future benefit liabilities		\$65,924	\$30,630
Long term debt	(Note 9)		
Supported: Debentures and other supported debt		\$967,313	\$1,392,654
Less: Current portion		(\$213,329)	(\$425,341)
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 11)	\$44,558,120	\$44,342,170
Total long term liabilities		\$46,135,627	\$46,281,767
TOTAL LIABILITIES		\$51,384,408	\$53,093,363
NET ASSETS			
Unrestricted net assets		\$0	\$0
Operating Reserves		\$3,087,183	\$3,580,303
Accumulated Operating Surplus (Deficit)		\$3,087,183	\$3,580,303
Investment in capital assets		\$7,463,087	\$7,064,044
Capital Reserves		\$829,355	\$814,793
Total Capital Funds		\$8,292,442	\$7,878,837
Total net assets		\$11,379,625	\$11,459,140
TOTAL LIABILITIES AND NET ASSETS		\$62,764,033	\$64,552,503

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	Actual 2009
REVENUES			
Government of Alberta	\$36,966,963	\$36,012,782	\$35,200,339
Federal Government and First Nations	\$4,995,046	\$4,487,035	\$4,968,022
Other Alberta school authorities	\$168,495	\$168,495	\$160,778
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$97,909	\$69,880	\$128,241
Transportation fees	\$0	\$0	\$0
Other sales and services	\$140,269	\$225,000	\$204,343
Investment income	\$25,953	\$25,000	\$66,699
Gifts and donations	\$7,877	\$0	\$7,500
Rental of facilities	\$367,980	\$290,000	\$456,638
Gross school generated funds	\$992,984	\$75,000	\$493,734
Gains on disposal of capital assets	\$14,563	\$0	\$65,233
Amortization of capital allocations	\$2,144,491	\$2,144,491	\$2,105,470
Other revenue	\$0	\$0	\$0
Total Revenues	\$45,922,530	\$43,497,683	\$43,856,997
EXPENSES			
Certificated salaries	\$19,800,138	\$18,868,187	\$18,414,528
Certificated benefits	\$1,906,164	\$1,735,989	\$1,870,787
Non-certificated salaries and wages	\$9,668,617	\$9,287,550	\$9,044,578
Non-certificated benefits	\$1,476,766	\$1,506,473	\$1,417,815
Services, contracts and supplies	\$8,731,970	\$9,060,912	\$8,962,539
Gross school generated funds	\$992,984	\$75,000	\$493,734
Capital and debt services			
Amortization of capital assets			
Supported	\$2,144,491	\$2,144,491	\$2,105,470
Unsupported	\$1,176,416	\$1,182,676	\$1,161,466
Total Amortization of capital assets	\$3,320,907	\$3,327,167	\$3,266,936
Interest on capital debt			
Supported	\$104,476	\$131,064	\$150,478
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$104,476	\$131,064	\$150,478
Other interest and charges	\$23	\$0	\$61
Losses on disposal of capital assets	\$0	\$0	\$14,119
Other expense	\$0	\$0	\$0
Total Expenses	\$46,002,045	\$43,992,342	\$43,635,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM	(\$79,515)	(\$494,659)	\$221,422
Extraordinary Item	\$0	\$0	\$0
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(\$79,515)	(\$494,659)	\$221,422

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	(\$79,515)	\$221,422
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$2,144,491)	(\$2,105,470)
Total amortization expense	\$3,320,907	\$3,266,936
Gains on disposal of capital assets	(\$14,563)	(\$65,233)
Losses on disposal of capital assets	\$0	\$14,119
Changes in:		
Accounts receivable	(\$664,902)	\$647,094
Prepays and other current assets	\$39,145	(\$52,332)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	\$4,737	\$104,754
Deferred revenue	\$6,718	\$80,343
Employee future benefit liabilities	\$35,294	\$30,630
Other (describe) Capital allocations not received in cash, capital payables,	(\$310,749)	\$0
Total cash flows from Operations	\$192,581	\$2,142,262
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,853,933)	(\$1,219,274)
Equipment	(\$398,047)	(\$231,767)
Vehicles	(\$1,283,618)	(\$662,316)
Net proceeds from disposal of capital assets	\$39,600	\$143,596
Other (describe) Capital payables, non cash capital additions	\$496,307	\$419,872
Total cash flows from Investing activities	(\$2,999,691)	(\$1,549,889)
C. FINANCING ACTIVITIES		
Capital allocations	\$517,598	\$3,165,694
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$425,341)	(\$559,880)
Add back: supported portion	\$425,341	\$559,880
Other (describe) Capital allocations not received in cash	(\$130,312)	\$0
Total cash flows from financing activities	\$387,286	\$3,165,694
Net cash flows from during the year	(\$2,419,824)	\$3,758,067
Cash and temporary investments, net of bank indebtedness, at Aug. 31/09	\$9,476,032	\$5,717,965
Cash and temporary investments, net of bank indebtedness, at Aug. 31/10	\$7,056,208	\$9,476,032

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: 1250

(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, 2009	\$11,459,140	\$7,064,044	\$0	\$3,580,303	\$814,793	\$3,580,303	\$283,555	\$0	\$230,975	\$0	\$188,528	\$0	\$111,735	\$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
Entry to Balance with AFS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug.31, 2009	\$11,459,140	\$7,064,044	\$0	\$3,580,303	\$814,793	\$3,580,303	\$283,555	\$0	\$230,975	\$0	\$188,528	\$0	\$111,735	\$0	\$0
Excess (deficiency) of revenues over expenses	(\$79,515)		(\$79,515)												
Board funded capital additions		\$1,600,497	(\$1,600,497)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of unsupported capital assets	\$0	(\$25,038)	\$25,038		\$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
Direct credits to net assets	\$0	\$0	\$0												
Amortization of capital assets		(\$3,320,907)	\$3,320,907												
Amortization of capital allocations		\$2,144,491	(\$2,144,491)												
Debt principal repayments (unsupported)		\$0	\$0												
Net transfers to operating reserves			(\$13,750)	\$13,750		\$13,750		\$0		\$0		\$0		\$0	\$0
Net transfers from operating reserves			\$506,870	(\$506,870)		(\$506,870)		\$0		\$0		\$0		\$0	\$0
Net transfers to capital reserves			(\$14,562)		\$14,562		\$3,700		\$3,446		\$0		\$7,416		\$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, 2010	\$11,379,625	\$7,463,087	\$0	\$3,087,183	\$829,355	\$3,087,183	\$287,255	\$0	\$234,421	\$0	\$188,528	\$0	\$119,151	\$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	\$3,141,860	\$44,342,170
Prior period adjustments	\$0	\$0
Adjusted balance, August 31, 2009	\$3,141,860	\$44,342,170
Add:		
Restricted capital allocations from:		
Alberta Education including school and modular projects	\$503,759	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$13,839	
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)		\$162,380
Transferred in capital assets (amortizable, @ net book value)		\$0
Current Year Debenture Principal Repayment		\$425,341
Expended capital allocations - current year	(\$1,772,720)	\$1,772,720
Deduct:		
Net book value of supported capital assets dispositions, write-offs, or transfer; Other	\$107,136	\$0
Capital allocations amortized to revenue		\$2,144,491
Balance at August 31, 2010	\$1,779,602	\$44,558,120

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

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

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. Significant Accounting Policies

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

Revenue Recognition

Fort Vermilion School Division No. 52 (the "School Division") follows the deferral method of accounting for contributions.

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.

The School Division amortizes grants received for construction and acquisition of capital assets as revenue on the same basis that the cost of the assets is amortized as expense. Since the receipt of the grants does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position. These capital allocations are recorded as deferred capital contributions 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 grant.

Prepaid Expenses

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

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

2. Significant Accounting Policies (continued from previous page)

Capital Assets

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

Buildings	25 and 40 years
Equipment and land improvements	5, 10 and 20 years
Vehicles	5 and 10 years
Construction in progress	not amortized

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. No amortization is taken in the year of acquisition.

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.

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 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 School Division does not make pension contributions for certificated staff.

The School Division participates in the multi-employer pension plan, 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 \$57,089 (2009 - \$48,836) 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).

The School Division also participates in the registered Supplemental Integrated Pension Plan (SiPP). This multi-employer plan provides supplementary pension plan benefits to a prescribed class of employees in addition to Local Authorities Pension Plan or Alberta Teacher Retirement Fund. The expense for this pension plan is equivalent to the annual contributions of \$24,778 for the year ended August 31, 2010 (2009 - \$32,639). There are four employees who are eligible to participate in the plan; all are currently participating.

Contributed Services

Volunteers contribute a considerable number of hours per year to various 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.

2. Significant Accounting Policies (continued from previous page)

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the School Division, or externally, to set aside funds for future operating and capital expenditures. Such reserves are appropriations of accumulated surplus.

Surpluses identified from school operations are transferred to reserves subject to the availability of unrestricted net assets, and transferred from reserves when the use of the funds have been identified by the schools. See Note 12 for details on reserve balances.

Use of Estimates

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 revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Accounts receivable have been stated with an estimate as to collectability, and amortization of capital assets and capital allocations is based on estimated useful life of the underlying assets. Actual results could vary from those estimates.

Financial Instruments

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, school generated assets and liabilities, trust assets and liabilities, employee future benefit 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 jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

(i) Held for trading

The School Division has classified cash and temporary investments, school generated assets and trust assets as held for trading. These instruments are initially recognized at their fair value, determined by published price quotations in an active market. Transactions to purchase or sell these items are recorded on the settlement date.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transaction costs incurred on sale or other disposal. Gains and losses arising from changes in fair value are recognized immediately in income.

(ii) Available for sale

The School Division has not classified any financial assets as available for sale.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

2. Significant Accounting Policies (continued from previous page)

(iii) Loans and receivables

The School Division has classified accounts receivable as loans and receivables. The assets 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 settlement date.

Loans and receivables are subsequently measure at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are discounted over the asset's expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measure at initial recognition less any reduction for uncollectability. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment.

(iv) Held to maturity

The School Division has not classified any financial assets as held to maturity.

(v) Other financial liabilities

The School Division has classified accounts payable and accrued liabilities, employee future benefit liabilities, school generated liabilities, trust liabilities and long term debt as other financial liabilities. 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 settlement date.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Under this method, estimated future cash payments are discounted over the liability's expected life, or other appropriate period, to their net carrying 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 the initial amount and the maturity amount. Gains and losses arising from changes in fair value are recognized in net income upon derecognition.

3. Cash and Temporary Investments

Cash is made up of various bank accounts which bear interest at prime less 1.85%.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

4. Accounts Receivable

	<u>2010</u>	<u>2009</u>
Federal Government and/or First Nations	\$ 1,016,123	\$ 1,045,634
Province of Alberta	853,416	525,375
Other	<u>98,339</u>	<u>125,784</u>
	1,967,878	1,696,793
Less allowance for doubtful accounts	<u>(170,319)</u>	<u>(564,136)</u>
	<u>\$ 1,797,559</u>	<u>\$ 1,132,657</u>

Of the above amount net of allowance for doubtful accounts, \$466,139 (2009 - \$487,338) has been outstanding for more than one year.

5. Tangible Capital Assets

	Land	Construction In Progress - New Building	Buildings	Equipment	Vehicles	Total Aug. 31, 2010	Total Aug. 31, 2009
Historical cost							
September 1, 2009	\$712,077	\$368,568	\$80,092,431	\$6,271,253	\$6,197,561	\$93,641,890	\$92,012,255
Additions	-	991,064	862,869	398,047	1,283,618	3,535,598	2,113,358
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	(405,688)	(405,688)	(483,723)
August 31, 2010	\$712,077	\$1,359,632	\$80,955,300	\$6,669,300	\$7,075,491	\$96,771,800	\$93,641,890
Accumulated amortization							
September 1, 2009	-	-	\$32,264,971	\$5,156,216	\$3,422,039	\$40,843,226	\$37,967,030
Amortization expense	-	-	2,429,363	389,830	501,715	3,320,908	3,266,936
Transfers in (out)	-	-	-	-	-	-	-
Effect of disposals	-	-	-	-	(380,650)	(380,650)	(390,740)
August 31, 2010	-	-	\$34,694,334	\$5,546,046	\$3,543,104	\$43,783,484	\$40,843,226
Net Book Value at August 31, 2010	\$712,077	\$1,359,632	\$46,260,966	\$1,123,254	\$3,532,387	\$52,988,316	\$52,798,664



FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

6. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u>2009</u>
Trade and other	\$ 1,797,597	\$ 1,841,856
Federal Government and/or First Nations	496,669	475,454
Province of Alberta	<u>317,826</u>	<u>290,045</u>
	<u>\$ 2,612,092</u>	<u>\$ 2,607,355</u>

7. Deferred Revenue

The following amounts have been deferred and will be recognized as income to match the expenditures as incurred.

	<u>2010</u>	<u>2009</u>
Child's Circle Project	\$ 118,016	\$ 110,287
Infrastructure Maintenance Renewal	104,545	30,080
FNMI KSA Project	100,000	-
UHRS Grant	97,087	-
Innovative Classroom Technology	86,406	61,202
Evergreening CTS	41,132	48,435
Technology grants	37,938	121,357
Other amounts	29,467	15,054
Divisional Review	20,000	-
Smartboard grant	9,167	103,605
CTS Trailer grant	<u>-</u>	<u>147,020</u>
	<u>\$ 643,758</u>	<u>\$ 637,040</u>

8. Trust Assets and Trust Liabilities

Student Health Partnership

The Division is the banker board for their geographical area's Student Health Partnership. As of August 31, 2010, the Division held \$48,938 in trust for this initiative (2009 – \$672,592).

Bursaries

The Division also manages trust funds, which will be used to pay school scholarships. At August 31, 2010, total funds in trust were \$550 (2009 - \$8,647).

Bursaries

The Division is the banker board for the Northern Teacher Bursary Program. As of August 31, 2010, the Division held \$373,211 (2009 - \$0) in trust for this initiative.

Bursaries

The Division is the banker board for the Northern Student Teacher Practicum Program. As of August 31, 2010, the Division held \$48,445 (2009 - \$0) in trust for this initiative.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

9. Long-term Debt

	<u>2010</u>	<u>2009</u>
Alberta Municipal Finance Corporation debenture debt repayable in annual installments plus interest at rates varying between 7.5% and 11.375%. The debentures are fully supported by Alberta Finance. Interest paid on long-term debt during 2010 was \$131,064 (2009 - \$188,760).	\$ 967,313	\$ 1,392,654
Less current portion	<u>(213,329)</u>	<u>(425,341)</u>
	<u>\$ 753,984</u>	<u>\$ 967,313</u>

Principal repayment requirements are estimated as follows:

2010/2011	213,329
2011/2012	199,108
2012/2013	189,865
2013/2014	189,865
2014/2015	67,756
To maturity	<u>107,390</u>
	<u>\$ 967,313</u>

The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore the working capital (current assets minus current liabilities) is understated by this amount.

10. Deferred Capital Allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the School Division, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

11. Unamortized Capital Allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Since the receipt of the funding does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

12. Reserves

	<u>2010</u>	<u>2009</u>
Capital Reserves		
Vehicles	\$ 276,105	\$ 261,542
Buildings	223,068	223,068
Land	2,200	2,200
Equipment	<u>327,982</u>	<u>327,983</u>
	829,355	814,793
Operating Reserves	3,087,183	3,580,303
Unrestricted Net Assets	<u>-</u>	<u>-</u>
	<u>\$ 3,916,538</u>	<u>\$ 4,395,096</u>

13. Department of Indian and Northern Affairs School

The School Division operates the Upper Hay River Day School under an agreement with the Department of Indian and Northern Affairs Canada (INAC) and the North Peace Tribal Council. Under the terms of the agreement the School Division is responsible for all instructional costs and custodial salaries and supplies, for which they are reimbursed. These revenues and expenses are summarized as follows:

	<u>2010</u>	<u>2009</u>
Revenue		
INAC and North Peace Tribal Council	\$ 1,158,567	\$ 1,146,561
Rental income	3,300	6,072
Transfer (to)/from deferred revenue	(53,955)	99,176
Allocated for future purchases	<u>(15,000)</u>	<u>(15,000)</u>
	<u>1,092,912</u>	<u>1,236,809</u>
Operating expenditures		
Instructional	916,492	1,067,978
Custodial supplies and salaries	<u>79,500</u>	<u>76,350</u>
	955,992	1,144,328
Administration fee	<u>96,920</u>	<u>92,481</u>
	<u>1,092,912</u>	<u>1,236,809</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>

14. Budgeted Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

15. Economic Dependence on Related Third Party

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

16. Related Party Transactions

Effective 2005/2006, school jurisdictions are controlled by the Government of Alberta according to criteria set out in Public Sector Accounting Board Handbook Section 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.

All related-party transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenditures</u>
2009-2010				
Government of Alberta:				
Education	\$ 471,144	\$ 823,608	\$ 36,227,963	\$ -
Finance	42,906	1,010,220	104,476	104,476
Infrastructure & Transportation	810,509	-	21,299	-
Other departments	-	118,016	613,224	-
Other:				
Other Alberta school jurisdictions	-	-	168,495	-
Total 2009-2010	<u>\$ 1,324,559</u>	<u>\$ 1,951,844</u>	<u>\$ 37,135,457</u>	<u>\$ 104,476</u>
Total 2008-2009	<u>\$ 1,197,966</u>	<u>\$ 3,030,531</u>	<u>\$ 35,361,116</u>	<u>\$ 150,478</u>

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2010

17. Remuneration and Monetary Incentives

The Fort Vermilion School Division 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:

	<u>FTE</u>	<u>Remuneration</u>	<u>Benefits</u>	<u>Allowances</u>	<u>Expenses</u>
<u>Board members:</u>					
<u>Chair</u>					
Wally Schroeder	1.0	\$20,135	\$151	-	\$15,370
<u>Other Board Members</u>					
Bernard Wiebe	1.0	11,855	524	-	7,933
Marc Beland	1.0	9,505	431	-	3,178
Lena Neudorf	1.0	13,025	923	-	8,442
Dale Lederer	1.0	10,945	422	-	6,878
Susanne Randle	1.0	8,775	391	-	9,754
Colleen Eyjolfson	1.0	10,450	395	-	6,265
Richard Marshall	1.0	8,430	285	-	1,563
Subtotal	8.0	93,120	3,522	-	59,383
<u>Superintendent</u>					
Roger Clarke	1.0	178,025	9,415	10,000	26,490
<u>Secretary / Treasurer</u>					
Jeff Perry	1.0	142,725	23,892	10,000	15,579
Certificated teachers	217.2	19,622,114	1,896,749	-	
Non-certificated - other	230.0	9,432,771	1,449,352	-	
Totals		\$29,468,755	\$3,382,930	\$20,000	

18. Commitments

The Regional Division has entered into various lease agreements with estimated minimum annual payments as follows:

2010/2011	212,216
2011/2012	199,896
2012/2013	52,446
2013/2014	36,816
2014/2015	<u>36,816</u>
	<u>\$ 538,190</u>

19. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

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

Fort Vermilion School Division No. 52

Legal Name of School Jurisdiction

P.O. Bag # 1, Fort Vermilion, Alberta T0H 1N0

Mailing Address

Phone: 1-780-927-3766 Fax: 1-780-927-4625

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

Mr. Jeff Perry
Name

"DATED AND SIGNED ELECTRONICALLY"
Signature

30-Nov-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

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SCHEDULE A

School Jurisdiction Code: 1250

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	\$1,190,666	\$26,907,105	\$3,925,749	\$2,377,204	\$1,953,015	\$0	\$36,353,739
(2) Other - Government of Alberta	\$0	\$613,224	\$0	\$0	\$0	\$0	\$613,224
(3) Federal Government and First Nations	\$115,468	\$3,075,570	\$390,370	\$223,808	\$96,920	\$1,092,910	\$4,995,046
(4) Other Alberta school authorities	\$0	\$168,495	\$0	\$0	\$0	\$0	\$168,495
(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	\$1,820	\$96,089					\$97,909
(8) Transportation fees-ECS				\$10,750			\$10,750
(9) Transportation fees-Grades 1-12				\$57,767			\$57,767
(10) Other sales and services	\$0	\$71,732	\$0	\$0	\$0	\$0	\$71,732
(11) Investment income	\$805	\$19,321	\$4,104	\$1,723	\$0	\$0	\$25,953
(12) Gifts and donations	\$0	\$7,877	\$0	\$0	\$0	\$0	\$7,877
(13) Rental of facilities	\$0	\$0	\$252,607	\$115,373	\$0	\$0	\$367,980
(14) Gross school generated funds	\$0	\$992,984	\$0	\$0	\$0	\$0	\$992,984
(15) Gains on disposal of capital assets	\$0	\$0	\$3,446	\$11,117	\$0	\$0	\$14,563
(16) Amortization of capital allocations	\$0	\$0	\$2,144,491	\$0	\$0	\$0	\$2,144,491
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$1,308,759	\$31,952,397	\$6,720,767	\$2,797,762	\$2,049,935	\$1,092,910	\$45,922,530
EXPENSES							
(19) Certificated salaries	\$778,908	\$18,177,073			\$330,591	\$513,566	\$19,800,138
(20) Certificated benefits	\$73,996	\$1,757,107			\$30,833	\$44,228	\$1,906,164
(21) Non-certificated salaries and wages	\$303,387	\$4,851,500	\$1,703,791	\$1,712,615	\$796,751	\$300,573	\$9,668,617
(22) Non-certificated benefits	\$48,032	\$769,037	\$239,321	\$250,630	\$118,906	\$50,840	\$1,476,766
(23) SUB - TOTAL	\$1,204,323	\$25,554,717	\$1,943,112	\$1,963,245	\$1,277,081	\$909,207	\$32,851,685
(24) Services, contracts and supplies	\$27,957	\$5,197,207	\$2,242,837	\$630,740	\$449,526	\$183,703	\$8,731,970
(25) Gross school generated funds	\$0	\$992,984					\$992,984
(26) Amortization of capital assets	\$0	\$281,780	\$2,516,921	\$417,897	\$104,309	\$0	\$3,320,907
(27) Interest and charges	\$0	\$0	\$104,476	\$0	\$23	\$0	\$104,499
(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	\$1,232,280	\$32,026,688	\$6,807,346	\$3,011,882	\$1,830,939	\$1,092,910	\$46,002,045
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$76,479	(\$74,291)	(\$86,579)	(\$214,120)	\$218,996	\$0	(\$79,515)

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

Unexpended SGF - Opening Balance August 31, 2009 (Note 1)			\$260,415
Sources of School Generated Funds:	Gross SGF	Related Expenses	Net SGF
Fundraising activities	\$980,901	\$535,714	\$445,187
Student fees (Non-Instructional) (Note 1)	\$9,985	\$7,715	\$2,270
Donations and grants to schools	\$28,138	\$26,978	\$1,160
Other (describe):	\$0	\$0	\$0
Net Additions to SGF	\$1,019,024	\$570,407	\$448,617
Net SGF Available			\$709,032
Uses of Net School Generated Funds:			
Extra-curricular activities			\$358,422
Field Trips			\$64,155
Other (describe):			\$0
Total Uses of Net SGF (Note 2)			\$422,577
Unexpended SGF - Closing Balance August 31, 2010 (Note 3)			\$286,455
<p>School Generated Funds (SGF) are funds raised in the community for student activities that come under the control and responsibility of school management. These funds are usually collected and retained at the school for expenditures paid at the school level. SGF does not include any other funds collected at the school but remitted to central office and accounted for by central office (facility rentals, capital assets purchases, etc.)</p> <p>Notes:</p> <ol style="list-style-type: none"> 1 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (fees related to instructional supplies or materials - essentially textbooks, resource materials in lieu of textbooks, media, software, and materials for classrooms). Fees charged for CEU-related activities are recorded as instruction resource fees, not SGF. 2 The sum of "total related expenses" and "total uses of net SGF" is reported as "gross school generated funds" in the Statement of Revenues & Expenses. 3 Unexpended SGF is reported as SGF assets and SGF liabilities in the Statement of Financial Position. 			

**SCHEDULE C
Operations and Maintenance of Schools & Maintenance Shops Program Expense Details - 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	\$1,033,528	\$555,351	\$0	\$68,450	\$114,911		\$1,772,240		\$1,772,240
Uncertificated benefits	\$149,639	\$66,581	\$0	\$0	\$23,101		\$239,321		\$239,321
Sub-total Remuneration	\$1,183,167	\$621,932	\$0	\$68,450	\$138,012		\$2,011,561		\$2,011,561
Supplies and services	\$138,503	\$374,824	\$49,587	\$552,421	\$4,560		\$1,119,895		\$1,119,895
Electricity			\$502,834				\$502,834		\$502,834
Natural Gas/Heating Fuel			\$343,447				\$343,447		\$343,447
Sewer and Water			\$96,164				\$96,164		\$96,164
Telecommunications			\$21,133				\$21,133		\$21,133
Insurance					\$90,915		\$90,915		\$90,915
Amortization of capital assets									
Supported								\$2,144,491	\$2,144,491
Unsupported						\$372,430	\$372,430	\$2,144,491	\$372,430
Total Amortization						\$372,430	\$372,430	\$2,144,491	\$2,516,921
Interest on capital debt									
Supported								\$104,476	\$104,476
Unsupported									\$0
Other interest charges									\$0
Losses on disposal of capital assets									\$0
TOTAL EXPENSES	\$1,321,670	\$996,756	\$1,013,165	\$620,871	\$233,487	\$372,430	\$4,558,379	\$2,248,967	\$6,807,346
SQUARE METRES									
School Buildings									48,011.1
Non School Buildings									3,308.0

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.