

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

**Grande Prairie Public School District #2357**

Legal Name of School Jurisdiction

**10213 - 99 Street, Grande Prairie, Alberta T8V 2H3**

Mailing Address

**Telephone (780) 532-4491 Fax (780) 539-4265**

Telephone and Fax Numbers

**SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Grande Prairie Public School District #2357 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**

**Karen Prokopowich**

Name

**"ORIGINAL SIGNED"**

Signature

**SUPERINTENDENT**

**Chris Gonnet**

Name

**"ORIGINAL SIGNED"**

Signature

**SECRETARY TREASURER OR TREASURER**

**Russell Horswill**

Name

**"ORIGINAL SIGNED"**

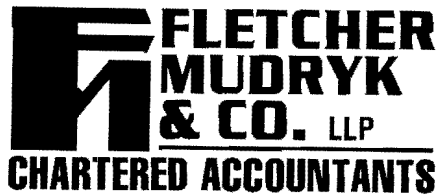
Signature

**30-Nov-10**

Board-approved Release Date

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## AUDITORS' REPORT

To the Board of Trustees  
**Grande Prairie Public School District No. 2357**

We have audited the statement of financial position of the **Grande Prairie Public School District No. 2357** 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 audited financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

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

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the School District as at August 31, 2010 and the revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Grande Prairie, Alberta  
October 20, 2010

*Fletcher Mudryk & Co.*  
Chartered Accountants

**STATEMENT OF FINANCIAL POSITION**  
as at August 31, 2010

(in dollars)

	2010	2009 (Note)
<b>ASSETS</b>		
Current assets		
Cash and temporary investments	\$4,215,432	\$5,964,139
Accounts receivable (net after allowances) (Note 3)	\$3,720,558	\$3,203,173
Prepaid expenses	\$564,588	\$888,883
Other current assets	\$173,939	\$199,462
<b>Total current assets</b>	<b>\$8,674,517</b>	<b>\$10,255,657</b>
School generated assets		
Trust assets (Note 9)	\$645,216	\$844,113
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets (Note 4)		
Land	\$431,253	\$431,253
Construction in Progress	\$0	\$0
Buildings	\$123,853,741	
Less: accumulated amortization	(\$47,970,773)	\$76,946,802
Equipment	\$5,087,543	
Less: accumulated amortization	(\$1,832,943)	\$2,985,935
Vehicles	\$496,232	
Less: accumulated amortization	(\$367,831)	\$151,717
<b>Total capital assets</b>	<b>\$79,697,222</b>	<b>\$80,515,707</b>
<b>TOTAL ASSETS</b>	<b>\$89,760,387</b>	<b>\$92,286,524</b>
<b>LIABILITIES</b>		
Current liabilities		
Bank indebtedness (Note 5)	\$0	\$0
Accounts payable and accrued liabilities (Note 6)	\$1,952,908	\$2,681,939
Deferred revenue (Note 7)	\$2,976,276	\$3,788,192
Deferred capital allocations (Note 8)	\$324,578	\$1,991,451
Current portion of long term debt	\$867,895	\$903,659
<b>Total current liabilities</b>	<b>\$6,121,657</b>	<b>\$9,365,241</b>
School generated liabilities		
Trust liabilities (Note 9)	\$743,432	\$671,047
Employee future benefit liabilities	\$645,216	\$844,113
Other long term liabilities	\$0	\$0
Long term debt (Note 10)		
Supported: Debentures and other supported debt	\$4,112,770	\$5,016,429
Less: Current portion	(\$867,895)	(\$903,659)
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)	\$74,154,739	\$73,905,686
<b>Total long term liabilities</b>	<b>\$78,788,262</b>	<b>\$79,533,616</b>
<b>TOTAL LIABILITIES</b>	<b>\$84,909,919</b>	<b>\$88,898,857</b>
<b>NET ASSETS</b>		
Unrestricted net assets	\$1,041,552	\$838,446
Operating Reserves	\$1,321,070	\$424,526
Accumulated Operating Surplus (Deficit)	\$2,362,622	\$1,262,972
Investment in capital assets	\$1,429,712	\$1,593,592
Capital Reserves	\$1,058,134	\$531,103
Total Capital Funds	\$2,487,846	\$2,124,695
<b>Total net assets</b>	<b>\$4,850,468</b>	<b>\$3,387,667</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$89,760,387</b>	<b>\$92,286,524</b>

**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) unaudited, see Note 16	Actual 2009 (Note)
<b>REVENUES</b>			
Government of Alberta	\$65,504,551	\$61,349,923	\$62,935,502
Federal Government and First Nations	\$8,749	\$0	\$41,933
Other Alberta school authorities	\$552,957	\$435,477	\$595,490
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities-special tax levies	\$0	\$0	\$0
Instruction resource fees	\$770,153	\$581,850	\$498,763
Transportation fees	\$0	\$0	\$0
Other sales and services	\$1,151,630	\$303,200	\$818,348
Investment income	\$52,952	\$75,000	\$175,864
Gifts and donations	\$167,454	\$0	\$132,907
Rental of facilities	\$72,265	\$75,000	\$54,339
Gross school generated funds	\$2,196,866	\$600,000	\$565,963
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$3,670,911	\$3,680,000	\$3,048,834
Other revenue	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$74,148,488</b>	<b>\$67,100,450</b>	<b>\$68,867,943</b>
<b>EXPENSES</b>			
Certificated salaries	\$34,145,568	\$33,833,200	\$31,467,065
Certificated benefits	\$4,310,964	\$4,427,000	\$4,118,894
Non-certificated salaries and wages	\$10,338,538	\$9,995,900	\$9,316,949
Non-certificated benefits	\$2,624,291	\$2,481,800	\$2,421,301
Services, contracts and supplies	\$14,772,604	\$11,742,850	\$16,492,051
Gross school generated funds	\$2,196,866	\$600,000	\$565,963
<b>Capital and debt services</b>			
Amortization of capital assets			
Supported	\$3,670,911	\$3,680,000	\$3,048,834
Unsupported	\$197,031	\$182,200	\$184,052
<b>Total Amortization of capital assets</b>	<b>\$3,867,942</b>	<b>\$3,862,200</b>	<b>\$3,232,886</b>
Interest on capital debt			
Supported	\$422,743	\$580,000	\$516,395
Unsupported	\$0	\$0	\$0
<b>Total Interest on capital debt</b>	<b>\$422,743</b>	<b>\$580,000</b>	<b>\$516,395</b>
Other interest and charges	\$4,277	\$2,500	\$0
Losses on disposal of capital assets	\$1,894	\$0	\$0
<b>Other expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Expenses</b>	<b>\$72,685,687</b>	<b>\$67,525,450</b>	<b>\$68,131,504</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE EXTRAORDINARY ITEM</b>	<b>\$1,462,801</b>	<b>(\$425,000)</b>	<b>\$736,439</b>
Extraordinary Item	\$0	\$0	\$0
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$1,462,801</b>	<b>(\$425,000)</b>	<b>\$736,439</b>

**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)
<b>CASH FLOWS FROM:</b>		
<b>A. OPERATIONS</b>		
Excess (deficiency) of revenues over expenses	\$1,462,801	\$736,439
Add (Deduct) items not affecting cash:		
Amortization of capital allocations revenue	(\$3,670,911)	(\$3,048,834)
Total amortization expense	\$3,867,942	\$3,232,886
Gains on disposal of capital assets	\$0	\$0
Losses on disposal of capital assets	\$1,894	\$0
Changes in:		
Accounts receivable	(\$517,385)	(\$400,344)
Prepays and other current assets	\$349,818	\$571,402
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Accounts payable and accrued liabilities	(\$729,031)	(\$1,591,428)
Deferred revenue	(\$811,916)	\$1,100,126
Employee future benefit liabilities	\$0	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Operations</b>	<b>(\$46,788)</b>	<b>\$600,247</b>
<b>B. INVESTING ACTIVITIES</b>		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,324,273)	(\$12,929,162)
Equipment	(\$703,971)	(\$649,353)
Vehicles	(\$27,940)	\$0
Net proceeds from disposal of capital assets	\$4,833	\$0
Other (describe)	\$0	\$0
<b>Total cash flows from Investing activities</b>	<b>(\$3,051,351)</b>	<b>(\$13,578,515)</b>
<b>C. FINANCING ACTIVITIES</b>		
Capital allocations	\$1,349,432	\$3,337,437
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$903,659)	(\$1,163,659)
Add back: supported portion	\$903,659	\$1,163,659
Other (describe)	\$0	\$0
<b>Total cash flows from financing activities</b>	<b>\$1,349,432</b>	<b>\$3,337,437</b>
<b>Net cash flows from during the year</b>	<b>(\$1,748,707)</b>	<b>(\$9,640,831)</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/09</b>	<b>\$5,964,139</b>	<b>\$15,604,970</b>
<b>Cash and temporary investments, net of bank indebtedness, at Aug. 31/10</b>	<b>\$4,215,432</b>	<b>\$5,964,139</b>

**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: 3240

(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												(15)
						(6) School & Instruction Related		(8) Operations & Maintenance		(10) Board & System Admin.		(12) Transportation		(14) External Services				
						Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves	Operating Reserves	Capital Reserves			
<b>Balance at August 31, 2009</b>	\$3,387,667	\$1,593,592	\$838,446	\$424,526	\$531,103	\$424,526	\$0	\$22,751	\$488,140	\$0	\$20,212	\$0	\$20,212	\$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			
<b>Adjusted Balance, Aug. 31, 2009</b>	\$3,387,667	\$1,593,592	\$838,446	\$424,526	\$531,103	\$424,526	\$0	\$22,751	\$488,140	\$0	\$20,212	\$0	\$20,212	\$0	\$0			
Excess (deficiency) of revenues over expenses	\$1,462,801		\$1,462,801															
Board funded capital additions		\$39,878	(\$39,878)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Disposal of unsupported capital assets	\$0	(\$6,727)	\$6,727		\$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	\$0			
Direct credits to net assets	\$0	\$0	\$0															
Amortization of capital assets		(\$3,867,942)	\$3,867,942															
Amortization of capital allocations		\$3,670,911	(\$3,670,911)															
Debt principal repayments (unsupported)		\$0	\$0															
Net transfers to operating reserves			(\$1,101,544)	\$1,101,544		\$661,544	\$0	\$0	\$440,000		\$0	\$0	\$0	\$0	\$0			
Net transfers from operating reserves			\$205,000	(\$205,000)		(\$205,000)	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0			
Net transfers to capital reserves			(\$527,031)		\$527,031		\$0	\$0	\$497,031		\$30,000		\$30,000		\$0			
Net transfers from capital reserves			\$0		\$0		\$0	\$0	\$0		\$0		\$0		\$0			
Assumption/transfer of other operations' net assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
<b>Balance at August 31, 2010</b>	\$4,850,468	\$1,429,712	\$1,041,552	\$1,321,070	\$1,058,134	\$881,070	\$0	\$22,751	\$985,171	\$440,000	\$50,212	\$0	\$50,212	\$0	\$0			

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

	<b>Deferred Capital Allocations</b>	<b>Unamortized Capital Allocations</b>
<b>Balance at August 31, 2009</b>	\$1,991,451	\$73,905,686
<b>Prior period adjustments</b>	\$0	\$0
<b>Adjusted balance, August 31, 2009</b>	\$1,991,451	\$73,905,686
<b>Add:</b>		
<b>Restricted capital allocations from:</b> Alberta Education including school and modular projects	\$735,406	
Other Government of Alberta	\$0	
Federal Government and First Nations	\$0	
Other sources	\$488,833	
<b>Interest earned on provincial government capital allocations</b>	\$0	
<b>Other capital grants and donations</b>	\$125,193	
<b>Net proceeds on disposal of supported capital assets</b>	\$0	
<b>Insurance proceeds (and related interest)</b>	\$0	
<b>Donated capital assets</b> (amortizable, @ fair market value)		\$0
<b>Transferred in capital assets</b> (amortizable, @ net book value)		\$0
<b>Current Year Debenture Principal Repayment</b>		\$903,659
<b>Expended capital allocations - current year</b>	(\$3,016,305)	\$3,016,305
<b>Deduct:</b>		
<b>Net book value of supported capital assets dispositions, write-offs, or transfer; Other</b>	\$0	\$0
<b>Capital allocations amortized to revenue</b>		\$3,670,911
<b>Balance at August 31, 2010</b>	<b>\$324,578</b>	<b>\$74,154,739</b>

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

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

1. AUTHORITY AND PURPOSE

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

These audited 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 audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited 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

Revenue is recognized as follows:

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

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

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

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

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 the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

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.).

Capital Assets

Capital assets are recorded at cost. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5% to 10%	10 years to 40 years
Equipment	10% to 20%	5 years to 10 years
Vehicles	10% to 20%	5 years to 10 years

No amortization is recorded in the year of acquisition. Amortization is not recorded on construction in progress until such time as the project is substantially complete.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

Only capital assets with costs in excess of \$5,000 are capitalized. Capital allocations received for asset additions are amortized into revenue over the same period as the amortization expense.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Asset Retirement Obligations

The School District recognizes a liability for the future environmental remediation of certain properties and for future removal and handling costs for contamination. At this time, no asset retirement obligations have been identified and, thus, no liability has been recorded.

Impairment of Long-Lived Assets

The School District reviews its long-lived assets for impairment on a regular basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate. No impairment has been identified and, thus, no impairment loss has been recognized in these financial statements.

Vacation Pay

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

Contributed Services

Volunteers contribute a considerable number of hours per year to schools to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Pensions

Pension costs included in these audited financial 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 Grande Prairie Public School District No. 2357 does not make pension contributions for certificated staff.

The School District participates in the multi-employer pension plan, Local Authorities Pension Plan, and does not report any unfunded liabilities. The expense for this pension plan is equivalent to the annual contributions of \$767,953 (2009 – \$611,426) for the year ended August 31, 2010. At December 31, 2009, the Local Authorities Pension Plan reported an actuarial deficiency of \$3,998,614,000 (2008 deficiency of \$4,413,971,000). In 2010, the Province recorded a liability of \$314,000,000 (2009 - \$186,000,000) for its portion of the unfunded pension obligation related to organizations controlled by the Province.

Operating and Capital Reserves

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

Financial Instruments

The School District's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the School District is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School District has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Measurement Uncertainty

The preparation of the audited 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 audited financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the audited financial statements of changes in such estimates in future periods could be significant.

3. ACCOUNTS RECEIVABLE

	<u>2010</u>	<u>2009</u>
Alberta Education	\$ 2,776,841	\$ 2,002,059
Alberta Finance	192,086	231,859
Other Province of Alberta	7,800	7,800
Federal Government	205,249	224,066
Alberta Municipalities	46,099	173,773
Local clubs and organizations	260,163	204,473
Other	<u>232,320</u>	<u>359,143</u>
	<u>\$ 3,720,558</u>	<u>\$ 3,203,173</u>

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

4. TANGIBLE CAPITAL ASSETS

	Land	Construction In Progress	Buildings	Other Equipment	Vehicles	Total August 31, 2010	Total August 31, 2009
Estimated useful life			10-40 Years	5-10 Years	5-10 Years		
Historical cost							
September 1, 2009	\$ 431,253	\$ -	\$ 121,529,468	\$ 4,383,572	\$ 531,942	\$ 126,876,235	\$ 113,297,720
Additions	-	-	2,324,273	703,971	27,940	3,056,184	13,578,515
Transfers in (out)	-	-	-	-	-	-	-
Less disposals including write-offs	-	-	-	-	63,650	63,650	-
August 31, 2010	431,253	-	123,853,741	5,087,543	496,232	129,868,769	126,876,235
Accumulated amortization							
September 1, 2009	-	-	44,582,666	1,397,637	380,225	46,360,528	43,127,642
Amortization expense	-	-	3,388,107	435,306	44,529	3,867,942	3,232,886
Effect of disposals	-	-	-	-	56,923	56,923	-
August 31, 2010	-	-	47,970,773	1,832,943	367,831	50,171,547	46,360,528
Net Book Value at August 31, 2010	\$ 431,253	\$ -	\$ 75,882,968	\$ 3,254,600	\$ 128,401	\$ 79,697,222	\$ 80,515,707

5. BANK INDEBTEDNESS

The School District has bank financing available to a maximum of \$3,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit is secured by a borrowing bylaw and a security agreement covering all revenue of the School District. There was no balance outstanding on the line of credit at August 31, 2010.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2010</u>	<u>2009</u>
Alberta Finance	\$ 192,086	\$ 231,859
Other Province of Alberta	524,527	529,757
Alberta Municipalities	69,423	63,722
Other Alberta School Jurisdictions	295,413	289,712
Trade payables and accrued liabilities	871,459	1,013,811
Capital project payables	<u>-</u>	<u>553,078</u>
	<u>\$ 1,952,908</u>	<u>\$ 2,681,939</u>

7. DEFERRED REVENUE

	DEFERRED REVENUE as at August 31, 2009	ADD: 2009/2010 Restricted Funds Receivable / Received	DEDUCT: 2009/2010 Restricted Funds Expended (Paid / Payable)	ADD (DEDUCT): 2009/2010 Adjustments or Returned Funds	DEFERRED REVENUE as at August 31, 2010
<b>Alberta Education:</b>					
Infrastructure Maintenance Renewal	\$ 694,634	\$ 1,123,847	\$ 838,568	\$ -	\$ 979,913
Portable Lease Grant	288,811	-	266,594	-	22,217
Technology Infrastructure	280,368	-	56,074	-	224,294
Technology in the Classroom	113,280	-	-	-	113,280
Classroom Resources	192,576	-	-	-	192,576
Infrastructure – Conditional	8,433	-	8,433	-	-
Alberta Initiative for School Improvement	-	846,000	817,693	-	28,307
Roof Replacement	1,661,258	-	1,157,607	-	503,651
<b>Other Deferred Revenue:</b>					
Other Equipment Grants	195,730	308,465	231,892	-	272,303
Donations	204,339	210,790	169,584	-	245,545
<b>Other</b>	148,763	399,280	153,853	-	394,190
	<b>\$ 3,788,192</b>	<b>\$ 2,888,382</b>	<b>\$ 3,700,298</b>	<b>\$ -</b>	<b>\$ 2,976,276</b>

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

8. DEFERRED CAPITAL ALLOCATIONS

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

9. TRUST ASSETS AND LIABILITIES

These balances represent cash held in trust by the School District.

	<u>2010</u>	<u>2009</u>
Student Health Initiative Trust (SHI Banker Board)	\$ 97,259	\$ 67,412
Northwest Regional Learning Consortium Trust (Banker Board)	<u>547,957</u>	<u>776,701</u>
	<u>\$ 645,216</u>	<u>\$ 844,113</u>

10. LONG-TERM DEBT

	<u>2010</u>	<u>2009</u>
(a) Debentures - supported	\$ 4,112,770	\$ 5,016,429
- unsupported	<u>—</u>	<u>—</u>
	4,112,770	5,016,429
Less current portion	<u>(867,895)</u>	<u>(903,659)</u>
	<u>\$ 3,244,875</u>	<u>\$ 4,112,770</u>

The debentures are issued from the Alberta Capital Finance Authority to finance construction of school buildings, bear interest at rates ranging from 7.5% to 11.5% per annum and mature in 2011 through 2020. The debenture debt is fully supported by Alberta Finance.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

10. LONG-TERM DEBT – continued

Debenture repayments required in each of the next five fiscal years and to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010 - 2011	\$ 867,895	\$ 376,194	\$ 1,244,089
2011 - 2012	686,895	294,154	981,049
2012 - 2013	538,280	229,808	768,088
2013 - 2014	517,147	180,298	697,445
2014 - 2015	381,844	132,704	514,548
2015 to maturity	<u>1,120,709</u>	<u>220,744</u>	<u>1,341,453</u>
Total	<u>\$ 4,112,770</u>	<u>\$ 1,433,902</u>	<u>\$ 5,546,672</u>

(b) Capital leases – unsupported

Currently, there are no capital leases held by the School District.

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been expended, but have yet to be amortized over the useful life of the related capital asset. The unamortized capital allocations account balance is increased by transfers of deferred capital allocations expended, as well as fully-supported debenture principal repayments.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED AUGUST 31, 2010**

12. COMMITMENTS

The School District is committed to the following operating leases:

	<u>Annual Cost</u>	<u>Expiry</u>
Twenty-one portables	\$ 410,008	August, 2011

It is anticipated that these costs will be fully funded by allocations from Alberta Education.

In addition, the School District is committed to further expenditures of the following:

Crystal Park School – Roof Replacement	\$ 275,000
Maude Clifford Public School & Community Center	\$ 250,000

It is anticipated that these costs will be fully funded by allocations from Alberta Education.

The School District is committed to a fifty-three month lease for computer network equipment, expiring in August, 2013 at a net annual cost of \$65,827. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

A commitment for various forty-three to fifty-three month leases for computer workstation equipment, expiring in August, 2011 to August, 2014 at a net annual cost of \$403,166 for the 2010-2011 fiscal year, \$360,514 for 2011-2012, \$261,210 for 2012-2013 and \$297,882 for 2013-2014. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

The School District is committed to severance and/or retirement pay for senior administrative officers for a total maximum liability of \$250,000, of which a total of \$70,879 (2009 – \$66,258) has been accrued in these audited financial statements.

The School District has outstanding letters of guarantee in favour of the City of Grande Prairie aggregating \$84,288 with respect to various capital projects.

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

13. RELATED PARTY TRANSACTIONS

Effective 2005/2006, school jurisdictions were deemed to be 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 Grande Prairie Public School District No. 2357 had related party transactions for the year ended August 31, 2010 with Government of Alberta related parties recorded on the statement of revenues and expenses and statement of financial position.

	<u>Balances</u>		<u>Transactions</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Expenses</u>
<u>Government of Alberta:</u>				
Education	\$ 2,776,841	\$ 2,064,238	\$ 64,702,415	\$ -
Finance	192,086	4,304,856	422,743	422,743
Other Government of Alberta departments	7,800	-	215,804	-
<u>Other:</u>				
Health Authorities	-	524,527	163,589	1,571,971
Other Alberta School Jurisdictions	<u>-</u>	<u>295,413</u>	<u>552,957</u>	<u>-</u>
Total 2009-2010	<u>\$ 2,976,727</u>	<u>\$ 7,189,034</u>	<u>\$ 66,057,508</u>	<u>\$ 1,991,714</u>
Total 2008-2009	<u>\$ 2,241,718</u>	<u>\$ 9,306,936</u>	<u>\$ 63,530,992</u>	<u>\$ 2,824,959</u>

14. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

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

**GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT NO. 2357**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2010**

15. CONTINGENT LIABILITIES

The School 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 the insurers' favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The School District's share of the accumulated consortium funds as at August 31, 2010 was \$169,093 (2009 – \$194,771).

16. BUDGET AMOUNTS

The budget was prepared by the School District and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

17. REMUNERATION AND MONETARY INCENTIVES

The Grande Prairie Public School District No. 2357 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:

Board Members	FTE	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's/ Other	Expenses
Chair: Prokopowich, Karen	1.0	\$15,745	\$4,118	\$ -	\$ -	\$ -	\$ 8,391
Other members:							
Howard, Brenda	1.0	16,682	4,149	-	-	-	6,807
Kurylo, Paulette	1.0	11,702	3,767	-	-	-	3,494
Lehners, John	1.0	11,424	3,975	-	-	-	9,754
Shavers, Steven	1.0	13,367	4,039	-	-	-	7,962
<b>Subtotal</b>	<b>5.0</b>	<b>68,920</b>	<b>20,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,408</b>
Superintendent: Gonnet, Christopher	1.0	150,956	11,513	3,000	-	-	32,186
Secretary/Treasurer: Horswill, Russell	1.0	132,560	25,787	6,000	-	-	39,014
Certificated Teachers	393.4	33,994,612	4,299,451	3,450	-	-	
Non-certificated–other	231.9	10,137,058	2,578,456	1,850	-	-	
<b>TOTALS</b>		<b>\$44,484,106</b>	<b>6,935,255</b>	<b>14,300</b>	<b>\$ -</b>	<b>\$ -</b>	

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

**Grande Prairie Public School District # 2357**

Legal Name of School Jurisdiction

**10213 - 99 Street, Grande Prairie, Alberta T8V 2H3**

Mailing Address

**Telephone (780) 532-4491 Fax (780) 539-4265**

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

Russell Horswill  
Name

"ORIGINAL SIGNED"  
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](mailto:Cindy.Wang@gov.ab.ca)  
PHONE: (780) 644-5672 FAX: (780) 422-6996

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**SCHEDULE A**

School Jurisdiction Code: 3240

**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	\$3,627,080	\$46,032,402	\$8,384,378	\$1,963,117	\$2,446,500	\$2,248,938	\$64,702,415
(2) Other - Government of Alberta	\$52,208	\$163,589	\$430,543	\$0	\$0	\$155,796	\$802,136
(3) Federal Government and First Nations	\$0	\$8,449	\$0	\$0	\$0	\$300	\$8,749
(4) Other Alberta school authorities	\$0	\$54,779	\$0	\$0	\$0	\$498,178	\$552,957
(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	\$140,588	\$629,565					\$770,153
(8) Transportation fees-ECS				\$0			\$0
(9) Transportation fees-Grades 1-12				\$0			\$0
(10) Other sales and services	\$0	\$720,582	\$311,923	\$0	\$42,333	\$76,792	\$1,151,630
(11) Investment income	\$0	\$700	\$0	\$0	\$52,252	\$0	\$52,952
(12) Gifts and donations	\$0	\$95,342	\$0	\$0	\$0	\$72,112	\$167,454
(13) Rental of facilities	\$0	\$0	\$72,265	\$0	\$0	\$0	\$72,265
(14) Gross school generated funds	\$0	\$2,196,866	\$0	\$0	\$0	\$0	\$2,196,866
(15) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(16) Amortization of capital allocations	\$0	\$0	\$3,662,911	\$0	\$0	\$8,000	\$3,670,911
(17) Other revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(18) TOTAL REVENUES	\$3,819,876	\$49,902,274	\$12,862,020	\$1,963,117	\$2,541,085	\$3,060,116	\$74,148,488
<b>EXPENSES</b>							
(19) Certificated salaries	\$1,298,184	\$32,029,601			\$541,788	\$275,995	\$34,145,568
(20) Certificated benefits	\$187,149	\$4,051,573			\$43,248	\$28,994	\$4,310,964
(21) Non-certificated salaries and wages	\$839,844	\$4,841,270	\$2,603,089	\$105,229	\$825,555	\$1,123,551	\$10,338,538
(22) Non-certificated benefits	\$163,496	\$1,344,654	\$609,778	\$27,320	\$212,884	\$266,159	\$2,624,291
(23) SUB - TOTAL	\$2,488,673	\$42,267,098	\$3,212,867	\$132,549	\$1,623,475	\$1,694,699	\$51,419,361
(24) Services, contracts and supplies	\$341,266	\$5,732,364	\$5,315,203	\$1,297,754	\$732,877	\$1,353,140	\$14,772,604
(25) Gross school generated funds	\$0	\$2,196,866					\$2,196,866
(26) Amortization of capital assets	\$0	\$0	\$3,820,045	\$17,134	\$22,763	\$8,000	\$3,867,942
(27) Interest and charges	\$0	\$0	\$422,743	\$0	\$0	\$4,277	\$427,020
(28) Losses on disposal of capital assets	\$0	\$0	\$1,894	\$0	\$0	\$0	\$1,894
(29) Other expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(30) TOTAL EXPENSES	\$2,829,939	\$50,196,328	\$12,772,752	\$1,447,437	\$2,379,115	\$3,060,116	\$72,685,687
(31) EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$989,937	(\$294,054)	\$89,268	\$515,680	\$161,970	\$0	\$1,462,801

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

<b>Unexpended SGF - Opening Balance August 31, 2009</b> (Note 1)			\$671,047
<b>Sources of School Generated Funds:</b>	<b>Gross SGF</b>	<b>Related Expenses</b>	<b>Net SGF</b>
Fundraising activities	\$1,026,675	\$466,675	\$560,000
Student fees (Non-Instructional) (Note 1)	\$515,663	\$423,029	\$92,634
Donations and grants to schools	\$76,516	\$0	\$76,516
Other (describe):	\$650,397	\$538,704	\$111,693
<b>Net Additions to SGF</b>	\$2,269,251	\$1,428,408	\$840,843
<b>Net SGF Available</b>			\$1,511,890
<b>Uses of Net School Generated Funds:</b>			
Extra-curricular activities			\$682,058
Field Trips			\$69,460
Other (describe):			\$16,940
<b>Total Uses of Net SGF</b> (Note 2)			\$768,458
<b>Unexpended SGF - Closing Balance August 31, 2010</b> (Note 3)			\$743,432

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	\$1,741,270	\$813,323	\$0	\$0	\$48,496		\$2,603,089		\$2,603,089
Uncertificated benefits	\$420,955	\$178,636	\$0	\$0	\$10,187		\$609,778		\$609,778
Sub-total Remuneration	\$2,162,225	\$991,959	\$0	\$0	\$58,683		\$3,212,867		\$3,212,867
Supplies and services	\$295,475	\$1,369,308	\$0	\$1,996,175	\$2,086		\$3,663,044		\$3,663,044
Electricity			\$752,475				\$752,475		\$752,475
Natural Gas/Heating Fuel			\$536,751				\$536,751		\$536,751
Sewer and Water			\$108,807				\$108,807		\$108,807
Telecommunications			\$19,438				\$19,438		\$19,438
Insurance					\$234,688		\$234,688		\$234,688
Amortization of capital assets									
Supported								\$3,662,911	\$3,662,911
Unsupported						\$157,134	\$157,134		\$157,134
Total Amortization						\$157,134	\$157,134	\$3,662,911	\$3,820,045
Interest on capital debt									
Supported								\$422,743	\$422,743
Unsupported									
Other interest charges									
Losses on disposal of capital assets									
TOTAL EXPENSES	\$2,457,700	\$2,361,267	\$1,417,471	\$1,996,175	\$295,457	\$159,028	\$9,687,098	\$4,085,654	\$12,772,752
<b>SQUARE METRES</b>									
School Buildings									81,470.0
Non School Buildings									2,573.0

**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.